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ABSTRACT

From 1940 to 1970, the United States was characterized by both rapid population growth and rapid urbanization. However, in the 1970's, both of these trends have diminished. A decline in the birth rate has brought lower overall growth--with the decline being the greatest in the major metropolitan areas. There is firm evidence of shift in population distribution toward the nonmetro areas and small cities. This document discusses the economic and social condition of rural America in the 1970's. In order to encompass a broader spectrum of areas lying outside of metropolitan America, and to present post-1970 data available only on a metro-nonmetro basis, the focus is chiefly on nonmetro people and places. The metro-nonmetro residence categories are based on delineations of Standard Metropolitan Statistical Areas. Data are presented with this metro-nonmetro dichotomy, and comparisons are drawn between the two types of areas. Some marked metro-nonmetro and regional characteristics are highlighted for the United States as a whole. Topics discussed are: population settlement patterns, employment, income, education, health resources, local governments, and housing. (Author/NQ)

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94th Congress
1st Session

COMMITTEE PRINT

THE ECONOMIC AND SOCIAL CONDITION OF NONMETROPOLITAN AMERICA IN THE 1970's

PREPARED BY

ECONOMIC DEVELOPMENT DIVISION
ECONOMIC RESEARCH SERVICE
U.S. DEPARTMENT OF AGRICULTURE

FOR THE

COMMITTEE ON AGRICULTURE AND FORESTRY
UNITED STATES SENATE
NINETY-FOURTH CONGRESS
FIRST SESSION

U S DEPARTMENT OF HEALTH, EDUCATION & WELFARE
NATIONAL INSTITUTE OF EDUCATION

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LETTER OF TRANSMITTAL

U.S. DEPARTMENT OF AGRICULTURE,
ECONOMIC RESEARCH SERVICE,
Washington, D.C.

Hon. HERMAN E. TALMADGE,
Chairman, Committee on Agriculture and Forestry,
U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: This report on The Economic and Social Condition of Nonmetropolitan America in the 1970's was prepared by the Economic Research Service at the request of your staff. It contains information updated from a Committee Print we prepared under a similar title in 1971 for the Senate Committee on Government Operations.

We are pleased to forward this document which we trust will be useful to your Committee.

Sincerely,

QUENTIN M. WEST,
Administrator.

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PREFACE

This document, prepared for the Senate Committee on Agriculture and Forestry, is a revised edition of "The Economic and Social Condition of Rural America in the 1970's," released in May 1971 as a Committee Print by the Senate Committee on Government Operations. In order to encompass a broader spectrum of areas lying outside of metropolitan America, and to present post-1970 data available only on a metro-nonmetro basis, the focus here is chiefly on nonmetro people and places.

The metro-nonmetro residence categories are based on delineations of Standard Metropolitan Statistical Areas. These SMSA's, or metro areas, contain centers of 50,000 population or more. Non-SMSA's, or nonmetro areas, comprise the remainder. There are currently 265 SMSA's in the United States. While the data are presented with this metro-nonmetro dichotomy, and comparisons are drawn between the two types of areas, it should be pointed out that such generalizations mask many differences among individual areas in a highly diversified nation. Population settlement patterns, economic activity, and social conditions vary widely across the country. However, there are some marked metro-nonmetro and regional characteristics which are highlighted in these pages for the United States as a whole.

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I. POPULATION TRENDS UNDERGO CHANGE

In the period 1940 to 1970, the United States was characterized by both rapid population growth and rapid urbanization. But in the 1970's, both of these trends have diminished. A decline in the birth rate has brought lower overall growth—with the decline being greatest in the major metropolitan regions—and there is firm evidence of shift in population distribution toward the nonmetro areas and small cities.

For many years, employment in key rural industries—such as agriculture and coal mining—declined. These losses were not offset by growth of manufacturing or other work. By the mid-1960's, however, most of the adjustment in farm and mine manpower had been made. At the same time, manufacturing in particular began to grow in nonmetro areas, apparently stimulated both by efforts of local communities to obtain such plants and by advantages that executives began to see in locations away from the large cities.

There is also evidence of considerable residential discontent on the part of many metro urban and suburban people. Surveys of recent years have shown sizeable numbers of such people expressing a preference to reside in a rural area or a small town and an intention to do so. Thus, economic trends that created net growth of jobs in nonmetro areas have coincided with noneconomic preferences for residence in such areas. The result has been net immigration of people into nonmetro areas since 1970, in sharp contrast to trends of just a few years ago. This reversal is rather widespread geographically. Although there are still many counties declining in population, they are now basically confined to the Great Plains region. Even here, many counties have had a major reduction in outmigration.

The reversal of the direction of net migration does not mean that no one moves from the country to the city any more. It is still common for young adults to leave rural areas after high school. Some return after a period of urban living; others do not. But more and more older adults are moving to rural or small-town communities. Some are urban natives seeking an alternative to the metropolitan setting in which they were reared.

There is a wide diversity today in the population trends of nonmetropolitan areas, ranging from rapid growth—especially in retirement and resort communities—to continued depopulation in parts of the Plains. The problems associated with population trends vary accordingly.

Nonmetro Growth Exceeds That of Metro Areas

Between 1970 and 1973, population growth in the nonmetropolitan counties of the United States exceeded that of metro areas (table 1). For this 3-year period, metro and nonmetro counties increased by

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2.9 percent and 4.2 percent, respectively (fig. 1). This growth pattern represents a reversal of the historic trend of faster population increase in the urban centers of the country.

Those nonmetro counties adjacent to the metro areas experienced the highest rate of growth. However, even the more distant counties, those not adjacent to Standard Metropolitan Statistical Areas, grew faster than did metro areas.

This turnabout in the pattern of population growth reflects in large part the increasing availability of jobs in nonmetro areas. The slower growth in metro areas is basically determined by very low growth or even decline in most of the Nation's major metro areas. The small and medium-sized metro areas are more similar to the nonmetro pattern.

TABLE 1.—POPULATION CHANGE BY RESIDENCE: UNITED STATES

Residence	Population			Net migration	
	1973 (thousands)	1970 (thousands)	Percent change, 1970–73 (percent)	1970–73 (thousands)	1960–70 (thousands)
Total	209,851	203,301	3.2	1,632	3,001
Metropolitan [1]	153,252	149,002	2.9	486	5,997
Nonmetropolitan	56,599	54,299	4.2	1,146	−2,996
Adjacent counties [2]	29,165	27,846	4.7	722	−724
Nonadjacent counties	27,434	26,452	3.7	424	−2,273

[1] Metropolitan status as of 1974.
[2] Nonmetropolitan counties adjacent to Standard Metropolitan Statistical Areas.

Source: Current Population Reports, U.S. Bureau of the Census. Compiled by Population Studies Group, Economic Research Service, U.S. Department of Agriculture.

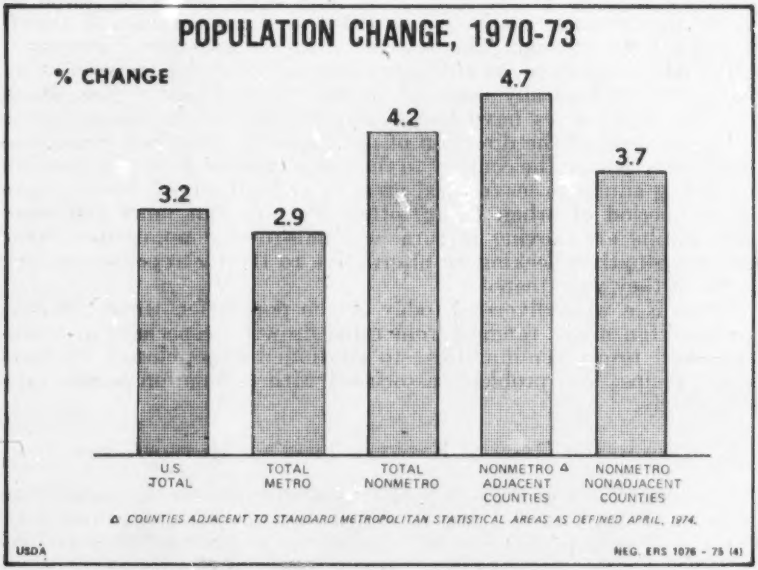

FIGURE 1

Nonmetro Counties Become Net Importers of People

The nonmetropolitan counties of the United States have become net importers of people (fig. 2). This newly acquired ability to attract migrants led to the nonmetro counties as a whole growing at a faster rate during 1970–73 than did metro areas. During the first 3 years of the 1970's, nonmetro counties had an average net in-movement of 382,000 persons annually. By contrast, during the 1960's, these same counties experienced an annual average net loss of 300,000. This turnabout in the migration pattern was evident among nonmetro counties as a whole, irrespective of their proximity to metro areas. However, the most striking reversal occurred among nonmetro counties not adjacent to Standard Metropolitan Statistical Areas where the average net migration shifted from a loss of 227,000 annually during 1960–70 to an annual gain of 141,000 for 1970–73.

Metropolitan areas as a whole continue to have a net gain in population through migration, although at a substantially reduced level.

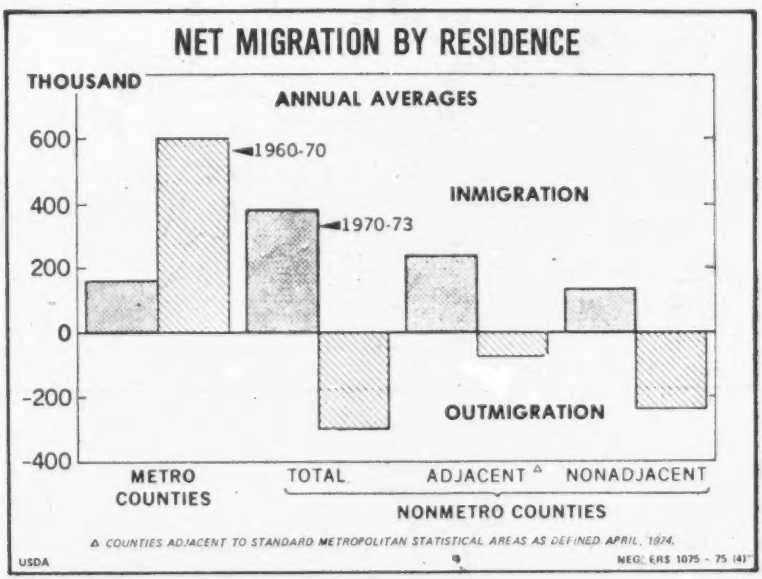

Figure 2

All Regions But the South Show New Trend

For the period 1970–73, the South was the only major geographic region of the country that did not experience a reversal in the traditional metro-nonmetro population growth pattern (fig. 3). Counties of this region, taken as a whole, continued the previous trend of

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higher population increase in the Standard Metropolitan Statistical Areas. Although the South did not show the turnaround evidenced in other regions, the wide disparity in earlier rates of growth for metro-nonmetro residence groups was substantially reduced there.

Between 1970 and 1973, the population in southern metro counties increased by 5.7 percent while the nonmetro counties of the South grew by 4.0 percent. During the 1960–70 decade, these two groups of counties increaed by 22.4 percent and 3.1 percent, respectively.

The South was the only region where the average annual net migration into metro areas was higher in 1970–73 than in 1960–73.

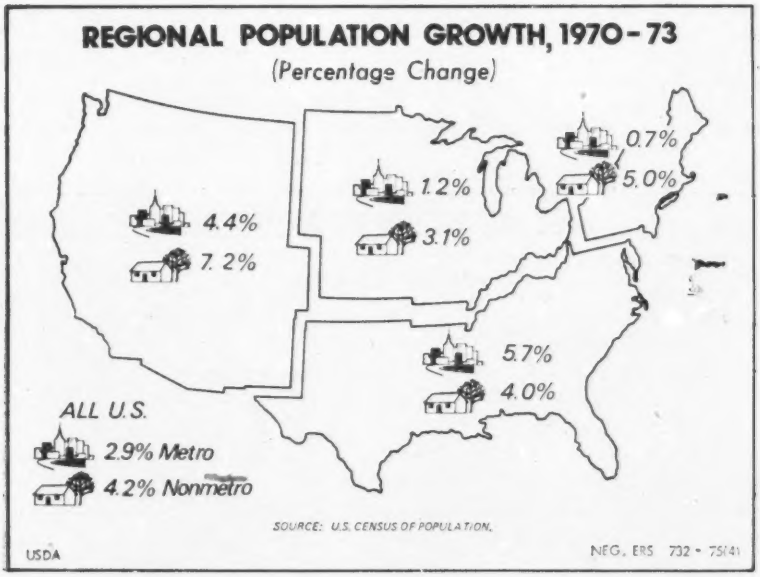

FIGURE 3

OVERALL GROWTH OF NONMETRO PLACES REACHES 10 PERCENT IN 1960's

It can be seen from the accompanying chart that nonmetropolitan places grew at an overall rate of nearly 10 percent during the 1960's (fig. 4). There was little difference in growth rate for most size classes. Rates of 9 to 10 percent growth applied to places from 500 to 50,000 population.

For places of less than 500 people, the growth rate was only about half that of the larger towns, or 4.7 percent. However, open country and unincorporated places increased their population by 6 percent during the decade.

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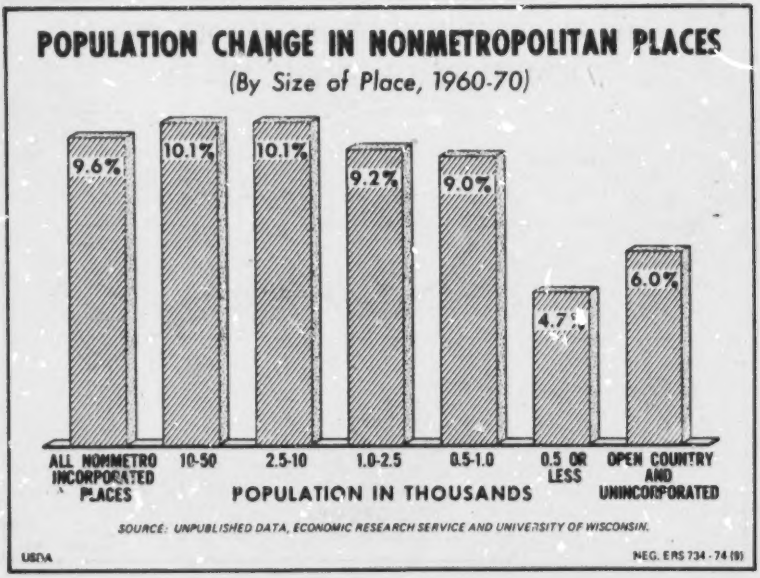

FIGURE 4

GROWING COUNTIES HAVE YOUNGER POPULATION

The age composition of a community imposes requirements and limitations on each of its institutions, and age composition is closely related to population growth and decline. Counties that declined in population between 1960 and 1970 had a relative deficit of young adults (aged 15 to 39) and an excess of persons aged 40 years and older (table 2, fig. 5). Hence, in 1970, the median age of growing counties was 27.5 years compared with 30.2 years in declining counties. In addition, the ratio of economically dependent to economically independent age groups was substantially higher in declining areas (92.9 vs. 83.2).

TABLE 2.—AGE DISTRIBUTION OF GROWING AND DECLINING NONMETRO COUNTIES, 1960-70

Age group	Nonmetro counties (percent)	
	Growing	Declining
0 to 4	8.5	8.1
5 to 9	10.0	9.9
10 to 14	10.3	10.8
15 to 19	10.1	9.8
20 to 24	8.2	6.0
25 to 29	6.2	5.3
30 to 34	5.4	4.9
35 to 39	5.2	4.9
40 to 44	5.4	5.5
45 to 49	5.5	5.7
50 to 54	5.2	5.7
55 to 59	4.9	5.6
60 to 64	4.4	5.1
65 to 69	3.7	4.4
70 to 74	2.9	3.4
75 and over	4.2	5.1

Source: 1970 Census of Population.

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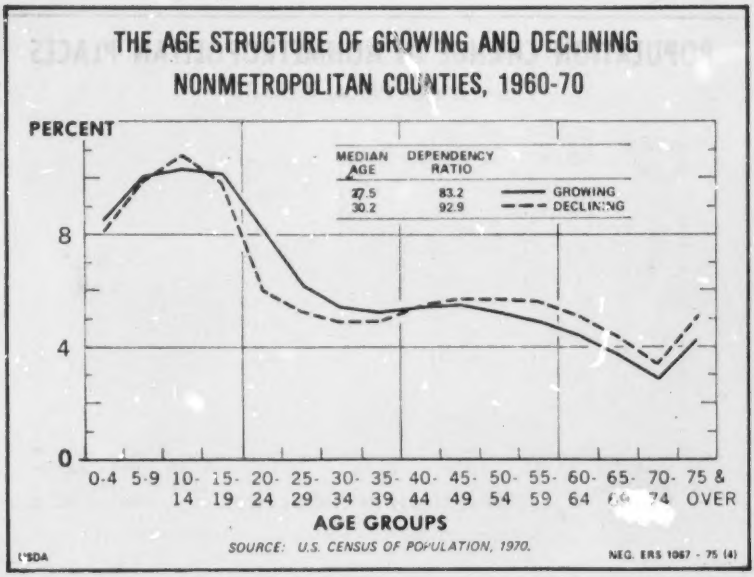

FIGURE 5

NONMETRO LOW-INCOME MIGRANTS ATTRACTED TO TEN MAJOR METRO CENTERS

For the period 1965–70, the 10 metro areas that received the largest number of nonmetro low-income migrants were Los Angeles-Long Beach, Houston, Chicago, Tampa-St. Petersburg, Washington, Dallas, Phoenix, Denver, San Diego, and Atlanta. Although there was some shifting in rank, seven of these receiving areas were also prime destinations in the 1955–60 period. The rapidly growing SMSA's of Denver, San Diego, and Atlanta became the new areas of attraction for low-income migrants of nonmetro origin. The accompanying map illustrates the major nonmetro migrant-source streams to the 10 areas (figure 6).

Some metro areas received people mainly from the same general region of the country in which they are located. Atlanta, Dallas, Denver, and Houston all drew migrants mostly from their own or adjacent States. On the other hand, other cities drew heavily on nonmetro areas in different parts of the country. Retirement centers, such as Phoenix and Tampa-St. Petersburg, attracted people from much longer distances. A comparison of the 1965–70 and 1955–60 streams would reveal many similar migration patterns. For instance, Chicago continued to attract migrants from the Mississippi Delta, and Washington continued to draw heavily from the Coastal Plain of North Carolina.

The three metro areas among the top 10 receiving areas for low-income nonmetro migrants in 1956–60, but not 1965–70, were New York City, St. Louis, and San Francisco-Oakland.

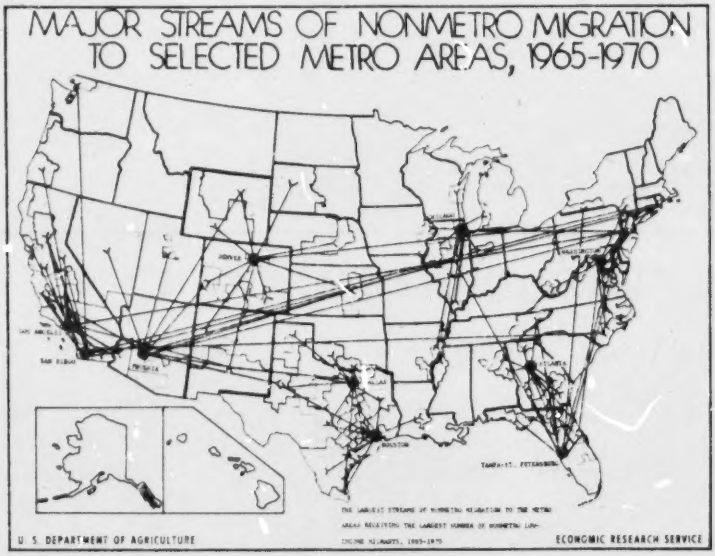
MAJOR STREAMS OF NONMETRO MIGRATION TO SELECTED METRO AREAS, 1965-1970
U. S. DEPARTMENT OF AGRICULTURE
ECONOMIC RESEARCH SERVICE

FIGURE 6

RATE OF FARM POPULATION DECLINE LOWEST IN 40 YEARS

The number of persons living on farms in rural areas of the United State in 1974 was 9,264,000. Except for brief interruptions during the depression of the 1930's and following World War II, the size of the farm population has declined rather steadily since 1920 (table 3, fig. 7). The long-time downward trend in farm population and the continuous increase in nonfarm residents have resulted in a diminishing farm share of the U.S. total population. In the slightly more than 50 years since the farm population was first enumerated, the proportion of the national population living on farms has fallen from 30.1 percent in 1920 to 4.4 percent in 1974.

The annual rate of net outmigration of farm residents—where the average amount of net migration is expressed as a percentage of the average farm population—was 1.5 percent for 1970–74. A rate of net outmovement of this low magnitude has not been observed in the farm population in about 40 years.

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TABLE 3.—FARM POPULATION, 1920–74

Year	Farm population (thousands)	Percent of total U.S. population
1920	31,974	30.1
1930	30,529	24.9
1940	30,547	23.2
1950	23,048	15.3
1960	15,635	8.7
1970	9,712	4.8
1971	9,425	4.6
1972	9,610	4.6
1973	9,472	4.5
1974	9,264	4.4

Source: Economic Research Service, U.S. Department of Agriculture.

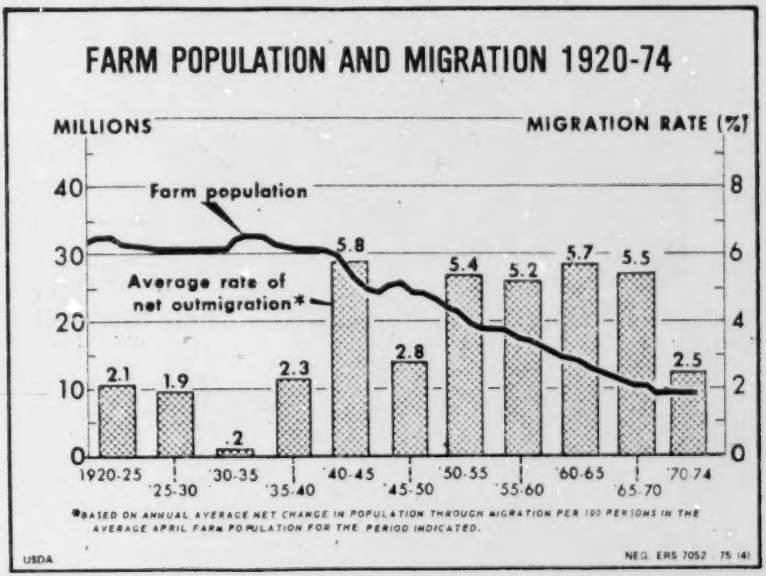

FIGURE 7

FARM OUTMIGRATION NOW A LOW 143,000 A YEAR

The absolute number of persons who annually either leave farms or live on places where agricultural operations cease, and thus are reclassified into the nonfarm category, has been declining steadily since the early 1950's. For 1970–74, this average net loss to the farm population was down to 143,000 annually (fig. 8). This represents a cut of about three-fourths from the average loss of 594,000 annually for 1965–70. Although the decrease in the size of the farm population no longer permits farm-nonfarm migration to reach the magnitude of earlier periods, a similar proportionate reduction in the annual volume of net outmigration has not been evidenced in the farm population since the depression years of the 1930's.

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In the past, the decrease in the average number of farm migrants has *not* been accompanied by a slackening in the annual net outmigration rate. However, for 1970–74, *both* the number of net outmovers and the rate of net outmovement were considerably below previous levels.

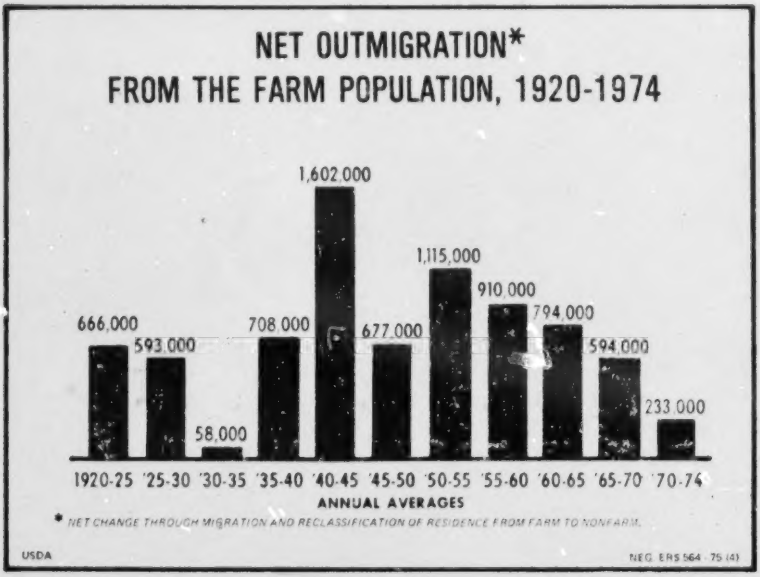

FIGURE 8

II. METRO AREAS HAVE MORE FAVORABLE INCOME GROWTH, BUT NONMETRO EMPLOYMENT GROWTH IS TWICE AS HIGH

During the period 1965–72, personal income in the United States increased at an annual average rate of more than 8 percent in both metro and nonmetro areas. However, the differential between metro and nonmetro income increased in favor of metro counties. In 1965, for example, the difference was $906, but by 1972, it was $1,239.

There was some regional variation in the average growth rate of personal income in metro and nonmetro areas. The highest metro rates were found in the Rocky Mountain region, the Southeast, and the Southwest, all exceeding the national metro average. There was little difference among the nonmetro regions, but the Southeast had the highest growth rate, and the Southwest and the Plains States had the lowest.

The per capita personal income of the farm population increased from $1,165 in 1960 to $5,316 in 1973. During this time, the proportion of total farm income that is from nonfarm sources has ranged from about two-fifths to more than half. The share from nonfarm income per farm varies by sales classes. For example, in 1973, the percent of total income from off-farm sources for all farms was 42 percent. However, for farms with sales of $100,000 and over, off-farm income represented only 8 percent of total income, whereas for those with sales of less than $2,500, the share that was off-farm rose to 93 percent.

The primary sources of income in metro and nonmetro areas in 1972 were manufacturing and government. Other important sources were trade and services. A much larger percentage of total earnings in nonmetro than metro areas came from farming, which produces a relatively lower level of income than nonfarm industries and contributes to continuing nonmetro income disadvantage in relation to the income level in metro areas.

A concomitant of the generally lower income levels in nonmetropolitan America is a disproportionate share of poverty there. In 1973, 14 percent of the nonmetro population was below the poverty level, compared with about 10 percent for metro areas. Within metropolitan areas, however, there was a wide difference between the 14 percent in poverty in the central city and 6 percent in the metro ring. Poverty was especially severe among Negroes in both metro and nonmetro areas where the percentages were nearly four times those of whites.

Nonmetropolitan employment has increased significantly in recent years. While the major share of jobs continues to be in metro areas, the annual average rate of employment growth from 1970 to 1973 was twice as high in nonmetro as in metro areas. In nonmetro areas, the growth rate was highest in construction; trade; and finance, insurance, and real estate, and was substantially higher than the metro rate in these three general industry groups.

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Total Increase in Income Greater in Metro Areas

Per capita personal income in the United States grew by more than $1,700 from 1965 to 1972. The amount of increase was greater in metro counties ($1,807) than in nonmetro counties ($1,474).

The difference between metro and nonmetro personal income also increased during that period, from $906 in 1965 to $1,239 in 1972, in favor of metro counties (table 4, fig. 9).

TABLE 4.—PER CAPITA PERSONAL INCOME BY METRO-NONMETRO COUNTIES, UNITED STATES, 1965-72

[In dollars]

Year	U.S. total	Metropolitan counties	Nonmetropolitan counties	Metro-nonmetro gap
1965	2,767	3,018	2,112	906
1967	3,170	3,444	2,435	1,009
1968	3,436	3,730	2,640	1,090
1969	3,708	4,012	2,880	1,132
1970	3,942	4,246	3,106	1,140
1971	4,164	4,486	3,282	1,204
1972	4,492	4,825	3,586	1,239

Source: Bureau of Economic Analysis, U.S. Department of Commerce.

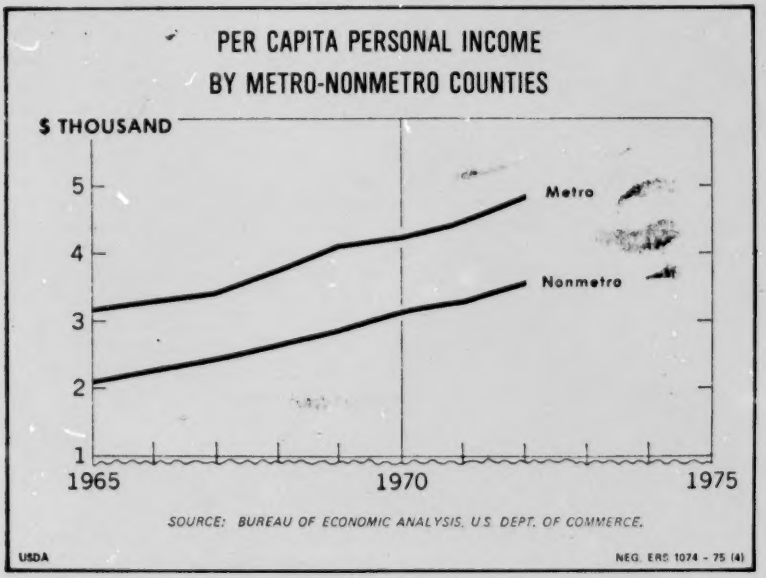

Figure 9

U.S. Personal Income Grows at More Than 8 Percent

U.S. personal income increased at an average annual rate of more than 8 percent between 1965 and 1972. The rate was slightly higher in nonmetro than metro areas (table 5).

Among the regions as delineated by the Commerce Department's Bureau of Economic Analysis (BEA), there was some variation in the average rates of income growth. Also, it is seen that metro areas

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showed higher rates than nonmetro in all but New England, the Mideast, and the Great Lakes region. Metro income growth rates were greatest in the Southeast, Southwest, and the Rocky Mountain regions. For nonmetro areas, there was little difference in rates among the regions, except that the Southeast led all the others.

TABLE 5.—AVERAGE ANNUAL RATES OF CHANGE IN PERSONAL INCOME, METRO-NONMETRO, BY BEA REGIONS 1965–72

[Percent]

BEA regions [1]	SMSA	Non-SMSA
New England	8.01	8.10
Mideast	7.67	8.09
Great Lakes	7.46	8.22
Plains	7.95	7.68
Southeast	10.02	9.66
Southwest	10.04	7.61
Rocky Mountains	10.21	8.23
Far West	8.07 [2] 8.15	7.97 [2] 8.06
Alaska and Hawaii	10.69 [2]	8.90 [2]
United States	8.24	8.52

[1] The BEA (Bureau of Economic Analysis) regions include the following States:
New England—Maine, New Hampshire, Vermont, Massachusetts, Rhode Island, Connecticut.
Mideast—New York, New Jersey, Pennsylvania, Delaware, Maryland, District of Columbia.
Great Lakes—Michigan, Ohio, Indiana, Illinois, Wisconsin
Plains—Minnesota, Iowa, Missouri, North Dakota, South Dakota, Nebraska, Kansas.
Southeast—Virginia, West Virginia, Kentucky, Tennessee, North Carolina, South Carolina, Georgia, Florida, Alabama, Mississippi, Louisiana, Arkansas.
Southwest—Oklahoma, Texas, New Mexico, Arizona.
Rocky Mountain—Montana, Idaho, Wyoming, Colorado, Utah.
Far West—Washington, Oregon, Nevada, California, Alaska, Hawaii.

[2] Compound annual rates of growth from initial to terminal year.

Source: Bureau of Economic Analysis, U.S. Department of Commerce.

1973 Personal Income of Farm Population Five Times That of 1960

In 1973, the per capita personal income of the farm population from all sources had increased to nearly five times what it had been in 1960 (table 6, fig. 10).

During this period, the proportion of total income from nonfarm sources steadily grew from 39 percent in 1960 to more than half of the total from 1967 to 1972. However, from 1972 to 1973, income from farm sources nearly doubled, due to unusually favorable farm prices, bringing the nonfarm portion of total income down to 38 percent.

TABLE 6.—PER CAPITA PERSONAL INCOME OF THE FARM POPULATION, 1960–73

Year	From farm sources	From nonfarm sources	From all sources	Percent nonfarm is of total income
1960	$708	$457	$1,165	39
1962	797	586	1,383	42
1964	778	746	1,524	49
1966	1,093	953	2,046	47
1968	1,078	1,210	2,288	53
1970	1,324	1,461	2,785	52
1971	1,405	1,590	2,995	53
1972	1,719	1,792	3,511	51
1973	3,309	2,007	5,316	38

Source: Farm Income Situation, FIS–224, Economic Research Service, U.S. Department of Agriculture, Table 7H, July 1974.

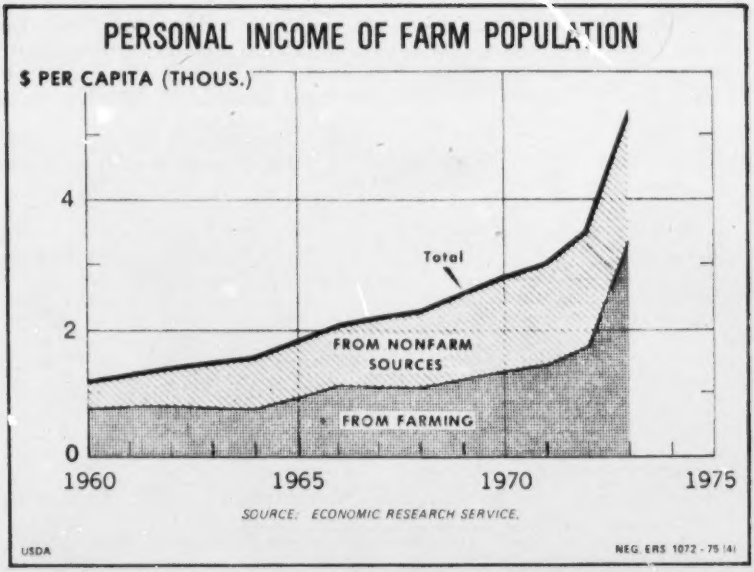

FIGURE 10

OFF-FARM INCOME REACHES 42 PERCENT OF TOTAL INCOME

In 1973, the average income per farm operator family from off-farm sources was 42 percent of total income. Among farms with sales of $100,000 and over, the off-farm portion was only 8 percent. However, in the lowest sales class, less than $2,500, off-farm income accounted for 93 percent of total income (table 7, fig. 11).

TABLE 7.—FARM AND OFF-FARM INCOME, PER FARM, 1973

Value of sales class	Realized net farm income [1]	Off-farm income	Total, including nonmoney income from farm food and housing	Percent off-farm income share of total
All farms	$11,332	$8,249	$19,581	42
$100,000 and over	102,808	9,486	112,294	8
$40,000 to $99,999	24,360	4,997	29,357	17
$20,000 to $39,999	13,355	4,325	17,680	24
$10,000 to $19,999	7,263	5,500	12,763	43
$5,000 to $9,999	3,992	7,294	11,286	65
$2,500 to $4,999	2,095	8,361	10,456	80
Less than $2,500	1,082	13,930	15,012	93

[1] Includes Government payments.

Source: Farm Income Situation, FIS-224, Economic Research Service, U.S. Department of Agriculture, Table 5D July 1974.

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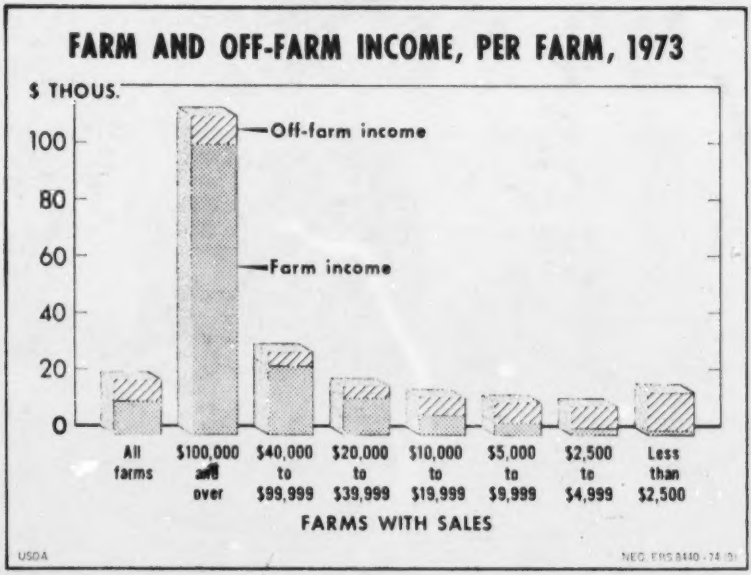

FIGURE 11

FARM NUMBERS DECLINE

The number of farms in the United States continues to decline, from about 4 million in 1960 to 2.8 million in 1973 (table 8).

About 3 percent of all farms were in the sales classes of $40,000 and over in 1960, whereas 47 percent were in the sales class of less than $2,500. By 1973, the proportion of farms with sales of $40,000 or more had increased to nearly 16 percent, and those with less than $2,500 had declined to about 25 percent.

TABLE 8.—NUMBER OF FARMS BY VALUE OF SALES CLASSES, 1960–73

Year	All farms	Farms with sales of $100,000 and over	$40,000 to $99,999	$20,000 to $39,999	$10,000 to $19,999	$5,000 to $9,999	$2,500 to $4,999	Less than $2,500
	Thousands of farms							
1960	3,963	23	90	227	497	660	617	1,849
1962	3,692	29	106	254	493	589	533	1,688
1964	3,457	32	114	268	482	534	469	1,558
1966	3,257	43	143	304	445	476	457	1,389
1968	3,071	45	149	306	415	439	437	1,280
1970	2,954	55	178	343	390	397	435	1,156
1971	2,909	58	188	356	381	382	434	1,110
1972	2,870	70	222	403	366	350	443	1,016
1973	2,844	109	337	563	332	262	488	753
	Percentage distribution							
1960	100.0	0.6	2.3	5.7	12.5	16.7	15.6	46.6
1962	100.0	0.8	2.9	6.9	13.4	15.9	14.4	45.7
1964	100.0	0.9	3.3	7.8	13.9	15.4	13.6	45.1
1966	100.0	1.3	4.4	9.3	13.7	14.6	14.0	42.7
1968	100.0	1.5	4.8	10.0	13.5	14.3	14.2	41.7
1970	100.0	1.9	6.0	11.6	13.2	13.5	14.7	39.1
1971	100.0	2.0	6.5	12.3	13.1	13.1	14.9	38.1
1972	100.0	2.4	7.7	14.1	12.8	12.2	15.4	35.4
1973	100.0	3.8	11.9	19.8	11.7	9.2	17.2	26.4

Source: Farm Income Situation, FIS–224, Economic Research Service, U.S. Department of Agriculture, Table 1D, July 1974.

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Net Income Per Farm Steady Since 1945, While Gross Income Grows Substantially

Realized net income per farm did not increase greatly over the period 1945 through 1971. In contrast, gross income per farm grew substantially. The growth in gross sales reflects the increase in farm size as a means used to combat rising production costs. As farms were consolidated into larger units, the number of farms declined from about 6 million in 1945 to about 2.8 million in 1973, and realized gross income per farm went up from $4,326 to $34,099 during this period (table 9).

TABLE 9.—REALIZED GROSS AND NET INCOME PER FARM, 1945-73

Year	Number of farms (thousands)	Realized gross income per farm	Realized net income per farm
1945	5,967	$4,326	$2,137
1950	5,648	5,718	2,273
1955	4,654	7,147	2,383
1960	3,963	9,715	2,796
1965	3,356	13,561	3,573
1970	2,954	19,838	4,750
1971	2,909	20,841	4,477
1972	2,870	24,375	6,105
1973	2,844	34,099	11,332

Source: Farm Income Situation, FIS-224, Economic Research Service, U.S. Department of Agriculture, July 1974, Table 3H, p. 46.

Manufacturing Leads as Source of Earnings

More than a fourth of total earnings in 1972 came from the manufacturing industry in both metro and nonmetro areas. Wholesale and retail trade, government, and services were the other major sources of earnings.

Farming accounted for more than 12 percent of total earnings in nonmetro areas, and about 1 percent in metro areas.

Total earnings in metro areas were nearly four times as much is an nonmetro areas (table 10, fig. 12).

TABLE 10.—EARNINGS BY INDUSTRIAL SOURCES WHERE EARNED, 1972

Industry sector	Source of earnings			
	Metro		Nonmetro	
	Million dollars	Percent of total	Million dollars	Percent of total
Manufacturing	160,496	27.2	38,438	26.0
Wholesale and retail trade	100,377	17.0	20,791	14.1
Government	104,445	17.7	28,028	18.9
Services	95,202	16.1	16,618	11.2
Construction	38,098	6.4	8,409	5.7
Transportation, communications, and public utilities	45,712	7.7	8,434	5.7
Finance, insurance, and real estate	35,658	6.0	4,120	2.8
Farming	6,247	1.1	18,380	12.4
Mining	3,348	.6	3,884	2.6
Other	1,396	.2	837	.6
Total	590,979	100.0	147,940	100.0

Source: Survey of Current Business, vol. 54, No. 5, Pt. II, Table 1, 1974.

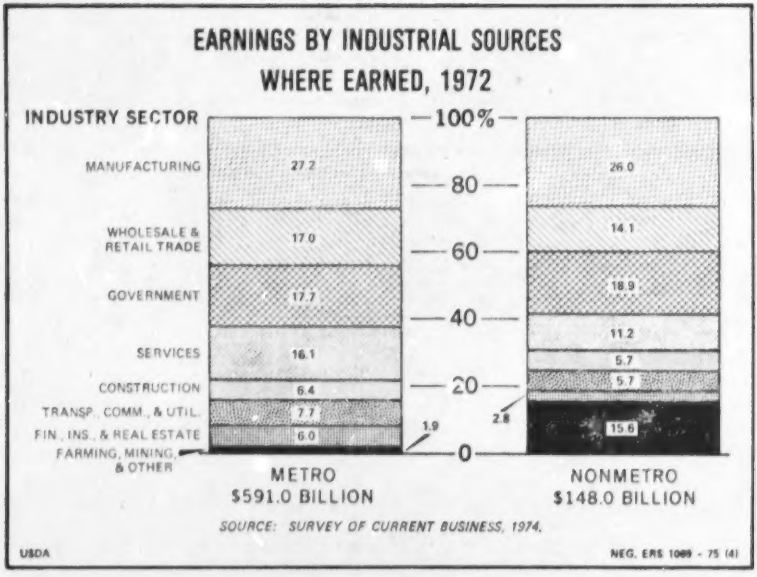

FIGURE 12

NUMBER OF PEOPLE IN POVERTY DECLINES

The percentage of people in families who were below the low-income level was more than cut in half between 1960 and 1973, from 20.7 percent to 9.7 percent (table 11). For unrelated individuals 14 years and over, the proportion in poverty in 1973 was 25.6 percent, down from 45 percent in 1960. The share of farm families below the poverty threshold continues to be larger than that of nonfarm families.

The low-income level, as used here, is based on a modified Social Security Administration definition adopted by a Federal interagency committee in 1969. The definition takes into account a range of income adjusted by such factors as family size, sex of the family head, number of children under 18 years old, and farm-nonfarm residence. For example, the weighted average threshold at the low-income level in 1973 for a nonfarm family of four was $4,540 and for a farm family of four, $3,871.

Continuing a decline in the numbers of people at the low-income level, the most recent figures released by the Census Bureau show a decrease of 2.4 million people in poverty between 1970 and 1973. The total number of low-income persons in 1973 was about 23 million, or 11 percent of the total. For persons in families, the figure was 18.3 million, or 9.7 percent of the total in families.

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TABLE 11.—PERSONS BELOW THE LOW-INCOME LEVEL, BY FAMILY STATUS, 1960–73

Year	All persons	Persons in families					Other family members	Unrelated individuals 14 years and over
		Total	Family head			Family members under 18 years		
			Total	Nonfarm	Farm			
	Number below low-income level (thousands)							
1960	39,851	34,925	8,243	6,649	1,594	17,228	9,394	4,926
1962	38,625	33,623	8,077	7,004	1,073	16,630	8,916	5,002
1964	36,055	30,912	7,160	6,058	1,102	15,736	8,016	5,143
1966	28,510	23,809	5,784	5,211	573	12,146	5,879	4,701
1968	25,389	20,695	5,047	4,553	494	10,739	4,909	4,694
1970	25,420	20,330	5,260	4,822	438	10,235	4,835	5,090
1972	24,460	19,577	5,075	4,753	323	10,082	4,420	4,882
1973	22,973	18,299	4,828	4,533	295	9,453	4,018	4,674
	Percent below low-income level							
1960	22.2	20.7	18.1	15.8	45.7	26.5	16.2	45.2
1962	21.0	19.4	17.2	16.0	33.5	24.7	15.1	45.4
1964	19.0	17.4	15.0	13.5	35.6	22.7	13.3	42.7
1966	14.7	13.1	11.8	11.3	20.6	17.4	9.5	38.3
1968	12.8	11.3	10.0	9.5	18.8	15.3	7.8	34.0
1970	12.6	10.9	10.1	9.7	18.6	14.9	7.4	32.9
1972	11.9	10.3	9.3	9.2	12.8	14.9	6.6	29.0
1973	11.1	9.7	8.8	8.6	11.6	14.2	5.9	25.6

Source: 1974 Manpower Report of the President, Table G-9, pp. 381–382 and Current Population Reports, P-60, No. 98.

Nonmetro Areas Have Higher Percent in Poverty

In metropolitan areas, about 10 percent of the people were in poverty, but within metro areas, the figure rose to 14 percent in the central city. In the metro ring, it was only 6 percent. Nonmetropolitan areas had 14 percent in poverty (table 12).

Nearly four times as high a percentage of the total Negro population was below the poverty level as of the white population—31.4 percent compared with 8.4 percent. The percentage of the Negro population in poverty in the central city was 29.6 (9.3 percent for whites) and dropped to 23.4 percent in the suburbs (5.5 percent for whites). The proportion was especially high in nonmetro areas where 41 percent of Negroes were in poverty compared with 11 percent for whites.

The poverty level is defined in the same way as the low-income level.

TABLE 12.—PERSONS BY POVERTY STATUS, BY TYPE OF RESIDENCE, 1973

[Number of persons in thousands]

Residence type	All races			White			Negro		
	Total	Below poverty level		Total	Below poverty level		Total	Below poverty level	
		Number	Percent of total		Number	Percent of total		Number	Percent of total
United States	207,621	22,973	11.1	181,185	15,142	8.4	23,512	7,388	31.4
Metropolitan	141,795	13,759	9.7	121,638	8,452	6.9	17,700	4,998	28.2
Central city	61,526	8,594	14.0	46,392	4,305	9.3	13,701	4,062	29.6
Metro ring	80,269	5,165	6.4	65,246	4,147	5.5	3,999	936	23.4
Nonmetropolitan	65,826	9,214	14.0	59,547	6,690	11.2	5,811	2,390	41.1

Source: Bureau of the Census, Current Population Reports, "Consumer Income", P-60, No. 98.

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Manufacturing Loses Jobs—All in Metro Areas

The manufacturing industry lost more than 300,000 jobs between 1970 and 1973 while all other industry groups except farming gained. The increase in employment for all U.S. industry groups was nearly 4 million jobs, with increases registered in both metro and nonmetro totals.

The loss in manufacturing employment was all in metropolitan areas (673,000 jobs) while nonmetro areas gained 356,000 jobs (table 13).

TABLE 13.—EMPLOYMENT BY INDUSTRY GROUPS, UNITED STATES, MARCH 1970 AND 1973[1]

[In thousands]

Industry group	United States		Metropolitan		Nonmetropolitan[2]	
	1973	1970	1973	1970	1973	1970
Nonfarm wage and salary	74,324	70,396	56,428	54,183	17,896	16,213
Manufacturing	19,479	19,796	14,214	14,887	5,265	4,909
Nonmanufacturing	54,845	50,600	42,214	39,296	12,631	11,304
Other goods-producing	4,121	3,774	2,885	2,712	1,236	1,062
Construction	3,509	3,168	2,659	2,485	850	683
Mining	612	606	226	227	386	379
Service-performing	46,196	42,368	35,729	32,994	10,467	9,374
Private industries	32,306	29,558	25,791	23,841	6,515	5,717
Trade	15,978	14,691	12,375	11,579	3,603	3,112
Services	12,394	11,276	10,034	9,149	2,360	2,127
Finance, insurance, and real estate	3,934	3,591	3,382	3,113	552	478
Government	13,890	12,810	9,938	9,153	3,952	3,657
Transportation, communications, and utilities	4,528	4,458	3,600	3,590	928	868
Other nonfarm[3]	8,009	8,005	5,368	5,396	2,641	2,609
Farm	3,153	3,240	795	830	2,358	2,410
Total	85,486	81,641	62,591	60,409	22,895	21,232

[1] Adapted from State Employment Agency estimates.
[2] Areas essentially outside Standard Metropolitan Statistical Area designations, Jan. 7, 1972.
[3] Self-employed, private household workers, and unpaid family help.

Source: Economic Research Service, U.S. Department of Agriculture.

Employment Increases Faster in Nonmetro Areas

Nonmetropolitan areas increased employment at an annual average rate twice as high as metropolitan areas from 1970 to 1973, or at a rate of 2.6 percent nonmetro compared with 1.2 percent for metro areas (fig. 13).

The largest percentage losses in metro areas were in manufacturing (−1.5 percent) and in farming (−1.4 percent). In nonmetro areas, the only industry group to decline in employment was farming (−0.7 percent).

The highest rates of employment growth in nonmetro areas were in the construction industry (8.2 percent); trade (5.3 percent); and finance, insurance, and real estate (5.2 percent). In metro areas, they were service groups in private industries (3.2 percent); government (2.9 percent); and finance, insurance, and real estate (2.9 percent).

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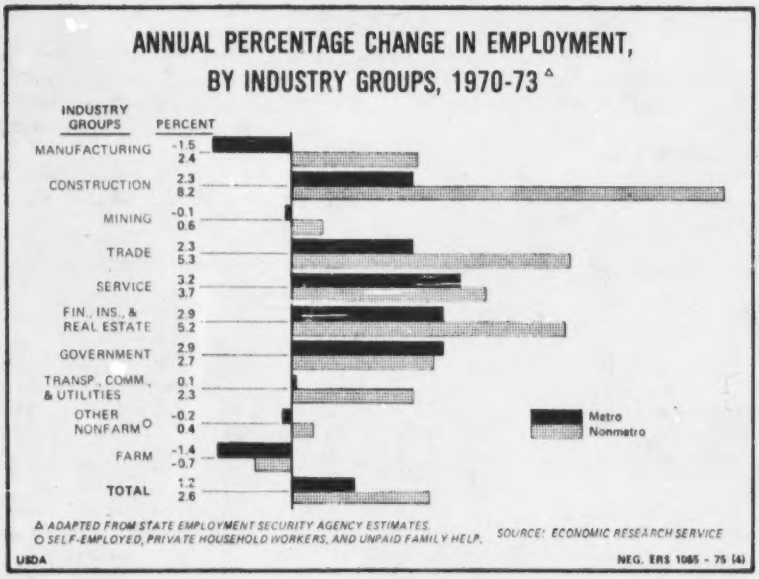

FIGURE 13

AGRICULTURAL EMPLOYMENT DECLINES SHARPLY

The employed labor force has grown from about 59 million in 1950 to 84 million in 1973. During this period, the numbers employed in agriculture have declined from 7 million to just over 3 million.

The percentage of the total employed who are engaged in agriculture has decreased from 12 percent in 1950 to only 4 percent in 1973 (table 14).

TABLE 14.—EMPLOYED PERSONS 16 YEARS AND OVER BY TYPE OF INDUSTRY: ANNUAL AVERAGES, 1950-73

[Numbers in thousands]

Year	Total Employed		Agriculture		Nonagricultural industries	
	Number	Percent	Number	Percent	Number	Percent
1950	58,920	100.0	7,160	12.2	51,758	87.8
1952	60,254	100.0	6,500	10.8	53,749	89.2
1954	60,110	100.0	6,205	10.3	53,903	89.7
1956	63,802	100.0	6,284	9.9	57,512	90.1
1958	63,036	100.0	5,584	8.9	57,450	91.1
1960	65,788	100.0	5,459	8.3	60,318	91.7
1962	66,702	100.0	4,944	7.4	61,759	92.6
1964	69,305	100.0	4,523	6.5	64,781	93.5
1966	72,895	100.0	3,979	5.5	68,916	94.5
1968	75,920	100.0	3,817	5.0	72,103	95.0
1970	78,627	100.0	3,462	4.4	75,165	95.6
1971	79,120	100.0	3,387	4.3	75,732	95.7
1972	81,702	100.0	3,472	4.2	78,230	95.8
1973	84,409	100.0	3,452	4.1	80,957	95.9

Source: Manpower Report of the President, April 1974, Table A-13, p. 270.

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Government Purchases Double in Ten Years

Government purchases of goods and services and compensation of employees of government enterprises by all levels of government increased from $123 billion in 1962 to more than double that amount in 1972, or $269 billion. More than half of the 1972 total was from State and local governments (table 15).

Nearly half of total government purchases of goods and services represented purchases from private industry. The proportion was about half at the Federal level and about two-fifths for State and local governments in 1972.

TABLE 15.—GOVERNMENT PURCHASES OF GOODS AND SERVICES, 1962-72

[In billions of dollars]

Level of government and year	Government purchases of goods and services				Compensation of employees of government enterprises
	Total	Total	Purchases from private industry	Total compensation of general government personnel (civilian and military)	
Total:					
1962	123.1	117.1	62.5	54.7	6.0
1964	135.7	128.7	65.7	63.0	7.0
1966	164.9	156.8	80.2	76.6	8.1
1968	209.4	194.6	104.7	94.9	9.8
1970	231.7	219.5	104.8	114.7	12.2
1972	269.1	255.0	119.5	135.5	14.1
Federal:					
1962	67.5	63.4	39.1	24.3	4.1
1964	69.9	65.2	38.0	27.2	4.7
1966	83.3	77.8	45.2	32.6	5.5
1968	105.4	98.8	59.3	39.5	6.6
1970	104.5	96.2	51.1	45.1	8.3
1972	113.9	104.5	54.2	50.3	9.4
State and local:					
1962	55.7	53.7	23.3	30.4	1.9
1964	65.8	63.5	27.7	35.9	2.3
1966	81.6	79.0	35.0	44.0	2.6
1968	104.0	100.8	45.4	55.4	3.2
1970	127.2	123.3	53.7	69.6	3.9
1972	155.2	150.5	65.3	85.2	4.7

Source: Manpower Report of the President, April 1974, Table G-4, p. 377.

State and Local Government Employment Grows Faster Than Federal

Total employment in the United States in 1973 was 84.4 million, a 3.3 percent gain over 1972 and the largest gain in 18 years. Public and private employment resulting from government purchases of goods and services and employment in government enterprises was about 23 million in 1973, or 27 percent of total employment.

Employment in State and local governments has been growing much faster than in the Federal Government for some time. Of the 23 million public and private employees in 1973, 15 million were employed by State and local governments and only 8 million by the Federal Government. In 1962, there were about 9 million in both of these categories (table 16).

TABLE 16.—EMPLOYMENT RESULTING FROM GOVERNMENT PURCHASES OF GOODS AND SERVICES, AND EMPLOYMENT IN GOVERNMENT ENTERPRISES, 1962–73

[Millions of employees]

Level of government and year	Public and private employment resulting from government purchases of goods and services				Employment in government enterprises [2]
	Total	Total	Employment in private industry	Total, general government personnel (civilian and military)	
Total:					
1962	18.3	17.2	6.1	11.1	1.1
1964	19.2	18.0	6.4	11.6	1.2
1966	21.3	19.8	6.6	13.2	1.3
1968	23.8	22.5	8.1	14.4	1.3
1970	23.0	21.6	6.9	14.7	1.4
1972	23.2	21.7	6.9	14.8	1.5
1973 [1]	23.4	21.9	6.9	15.0	1.5
Federal:					
1962	9.0	8.4	3.7	4.6	.7
1964	8.9	8.2	3.7	4.5	.7
1966	9.6	8.7	3.6	5.1	.9
1968	10.6	9.7	4.2	5.5	.9
1970	9.3	8.4	3.3	5.1	.9
1972	8.4	7.5	3.1	4.4	.9
1973 [1]	8.1	7.2	3.0	4.2	.9
State and local:					
1962	9.3	8.9	2.4	6.5	.4
1964	10.1	9.7	2.7	7.0	.4
1966	11.5	11.0	3.0	8.0	.5
1968	13.2	12.7	3.9	8.8	.5
1970	13.7	13.2	3.6	9.6	.5
1972	14.8	14.2	3.8	10.4	.6
1973 [1]	15.3	14.7	3.9	10.8	.6

[1] Preliminary.
[2] Includes government-operated activities selling products and services to the public, such as the postal service, local water departments, and publicly owned power stations.

Source: Manpower Report of the President, April 1974, Table G–5, p. 378.

Hired Farm Working Force Declines 5 Percent in 1973

The U.S. hired farm working force of 1973 numbered about 2.7 million persons 14 years of age and over who did some farm work for cash wages during the year. This was a 5-percent decrease from the 2.8 million in 1972, following a 2-year increase.

The farmworkers were mostly young (median age 24), white (86 percent), and male (79 percent); 75 percent of them lived in nonfarm places. More than 90 percent were nonmigratory workers. Some 203,000, or 8 percent, were domestic migratory workers, an increase of 10 percent from 184,000 in 1972. The number of nonmigratory farmworkers decreased by 6 percent from 1972 (tables 17, 18, fig. 14).

TABLE 17.—DISTRIBUTION OF FARM WAGEWORKERS, AND MAN-DAYS OF FARM WAGEWORK, 1973

Selected characteristics	Number of workers						Man-days of farm wagework					
	Total		Male		Female		Total		Male		Female	
	Thousand	Percent	Thousand	Percent	Thousand	Percent	Million	Percent	Million	Percent	Million	Percent
All workers	2,671	100	2,115	100	555	100	254	100	227	100	27	100
Race:												
White	2,304	86	1,967	88	436	79	215	85	195	87	20	74
Negro and other races	367	14	248	12	119	21	39	15	31	13	7	26
Migratory status:												
Migratory	203	8	170	8	34	6	21	8	18	7	3	10
Nonmigratory	2,467	92	1,946	92	522	94	233	92	209	93	24	90
Duration of farm wagework:												
Less than 25 days	1,085	41	789	38	296	54	10	4	7	3	3	11
25 to 74 days	567	21	411	19	156	28	26	10	19	8	7	26
75 to 149 days	351	13	293	14	58	10	36	14	31	13	6	22
150 to 249 days	247	9	221	10	26	5	51	20	45	20	5	19
250 days and over	421	16	402	19	19	3	131	52	125	56	6	22

Source: The Hired Farm Working Force of 1973, A Statistical Report, by Robert C. McElroy, Agricultural Economic Report No. 265, Economic Research Service, U.S. Department of Agriculture, July 1974, Table 5, p. 14.

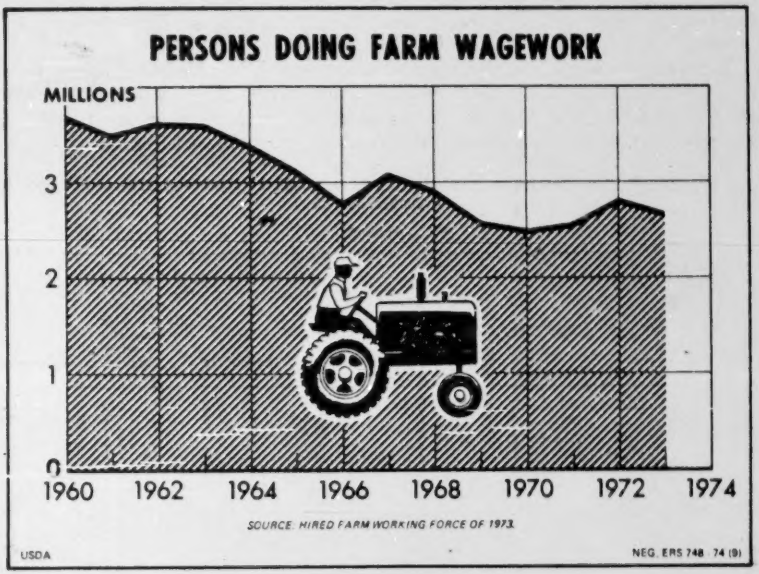

FIGURE 14

TABLE 18.—SELECTED CHARACTERISTICS OF HIRED FARM WORKING FORCE, 1973

Item	Farm wageworkers	
	Number	Percent
All workers	2,671	100
Residence:		
Farm	659	25
Nonfarm	2,012	75
Region:		
Northeast	211	8
North Central	767	29
South	959	35
West	735	28
Sex:		
Male	2,115	79
Female	555	21
Age:		
14 to 17 years	810	30
18 to 24 years	642	24
25 to 34 years	383	14
35 to 44 years	290	11
45 to 54 years	228	9
55 to 64 years	191	7
65 and over	126	5
Wages earned:		
Per year [1]	$2,369	
Per day	$16.40	

[1] 144 days worked.

Source: The Hired Farm Working Force of 1973, A Statistical Report, by Robert C. McElroy, Agricultural Economic Report No. 265, Economic Research Service, U.S. Department of Agriculture, July 1974.

Workers in Agriculture Have Highest Unemployment Rate

Among all experienced wage and salary workers, unemployment rates between 1950 and 1973 varied from a low of 3.3 percent in 1952 to a high of 7.3 percent in 1958. In 1973, the figure was 4.5 percent.

Workers in agriculture had considerably higher rates of unemployment than nonagricultural private wage and salary workers for the entire period. Also, both groups had much higher rates than did experienced wage and salary workers in government (table 19).

TABLE 19.—UNEMPLOYMENT RATES OF PERSONS 16 YEARS AND OVER, BY MAJOR INDUSTRY GROUP: ANNUAL AVERAGES, 1950–73

[Percent]

Year	Total unemployed [1]	Experienced wage and salary workers			
		Total	Agriculture	Nonagricultural private wage and salary workers	Government
1950	5.3	6.0	9.0	3.9	3.0
1952	3.0	3.3	4.8	3.6	1.6
1954	5.5	6.2	8.9	6.7	2.2
1956	4.1	4.4	7.3	4.7	1.7
1958	6.8	7.3	10.3	7.9	2.5
1960	5.5	5.7	8.3	6.2	2.4
1962	5.5	5.6	7.5	6.1	2.1
1964	5.2	5.0	9.7	5.4	2.1
1966	3.8	3.5	6.6	3.8	1.8
1968	3.6	3.4	6.3	3.0	1.8
1970	4.9	4.8	7.5	5.2	2.2
1971	5.9	5.7	7.9	6.2	2.9
1972	5.6	5.3	7.6	5.7	2.9
1973	4.9	4.5	6.9	4.8	2.7

[1] Also includes the self-employed, unpaid family workers, and those with no previous work experience, not shown separately.

Source: 1974 Manpower Report of the President, Table A–18, p. 276.

Output Per Man-Hour Rises Steadily

The index of output per man-hour (1967 base of 100), as a measure of productivity, shows a steady rise in the total private economy from 66.9 in 1954 to 116.1 in 1973. Productivity has increased much more in the farm than in the nonfarm sector during this period. Beginning with an index of 49.1 in 1954, farm output per man-hour went up by 64.5 points to 113.6 in 1973, whereas nonfarm output gained by 45 points, from 70.5 in 1954 to 115.5 in 1973.

Within the nonfarm sector, manufacturiing outpaced nonmanufacturing output increased by 58 points, from an index of 69.5 in 1954 to 127.5 in 1973. Nonmanufacturing output rose by 39.2 points, from 70.9 to 110.1 (table 20).

TABLE 20.—INDEXES OF OUTPUT PER MAN-HOUR, 1954–73

[1967=100]

Year	Total private economy	Farm	Nonfarm		
			Total	Manufacturing	Nonmanufacturing
1954	66.9	49.1	70.5	69.5	70.9
1956	70.0	51.6	73.2	72.9	73.2
1958	74.3	60.4	76.7	74.4	78.0
1960	78.2	64.9	80.3	79.9	80.6
1962	84.7	71.7	86.4	86.6	86.5
1964	91.1	79.5	92.4	94.5	91.5
1966	98.0	90.5	98.4	99.9	97.6
1968	102.9	100.2	102.9	104.7	101.9
1970	104.4	119.8	103.4	108.0	101.5
1971	108.7	127.7	107.6	115.6	104.3
1972	112.8	119.1	112.1	121.8	108.0
1973[1]	116.1	113.6	115.5	127.5	110.1

[1] Preliminary.

Source: 1974 Manpower Report of the President, Table G-1, p. 373.

III. METRO AREA HEALTH RESOURCES CONSIDERABLY BETTER THAN THOSE OF NONMETRO AREAS; EDUCATIONAL LEVELS MORE EQUAL

There is considerable evidence of a disparity in location of major health resources in favor of metropolitan areas. This disparity is longstanding and continues into the 1970 decade. It applies particularly to the location of medical specialists, research, and teaching.

There is also evidence of forces and trends which could cause movement toward a more equitable distribution of health-care resources. Some of these forces are: (1) State and local leaders, through Comprehensive Health Planning Districts, are emphasizing that health services are as important as schools, water, and sewers, and that provision of a poorly equipped nonmetro hospital does not constitute an adequate investment in community health. (2) The nonmetro population growth rate exceeded the metro rate from 1970 to 1973; the net migration of metro people, who are accustomed to a broader range of higher quality health services, into many nonmetro areas can be anticipated to result in more effective local leadership for health services. (3) Medicare and related legislation represent increases in economic incentives to physician specialists especially, to consider means to extend their services into nonmetro areas. Nonmetro areas presently contain relatively high proportions of senior, low-income citizens who increasingly have improved means for the purchase of health services.

Improvement in the educational attainment of persons 25 years old and over can be observed by comparing two age groups—persons 25 to 44 years old and those who are 45 years old and over. Among both whites and Negroes, in metro and nonmetro areas, there is a significantly lower percentage of those with 8 years or less of schooling completed in the age group 25 to 44 years old than in the older age group. There is a substantially higher percentage in the younger group with 12 years of school or more. In general, metro areas, whites, and the younger age groups have higher educational attainment than nonmetro areas, Negroes, and the older age groups.

There continues to be a clear relationship between level of educational attainment and amount of income. For example, for a head of household with less than 8 years of schooling, median household income is only half the national average of $10,512. Income goes above the national average with high school completion, and is considerably higher for those with 4 years or more of college education. The same kind of relationship exists between level of educational attainment and lifetime income.

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More Physicians Available to Metro People

As of December 1972, the ratio per 100,000 population of active non-federal physicians [1] engaged in patient care was more than twice as high in metro as in nonmetro areas. People in nonmetro areas have slightly more potential access to general practitioners than do metro residents, but they have considerably less access to specialists and to physicians in hospital-based practice (table 21).

"Other professional activity," which includes medical teaching, administration, research, and other health-care related work, is far more apt to be found in metro centers than in nonmetro areas.

A larger percentage (92 percent) of non-federal physicians is classified by a 1972 American Medical Association study (see Source, table 21) in patient care than is the case for federal physicians (84 percent). The great majority (91 percent) of the total 320,903 active physicians in the United States are in patient care. The balance (9 percent) are found in "other professional activity."

TABLE 21.—DISTRIBUTION OF NON-FEDERAL PHYSICIANS PER 100,000 POPULATION, 1972

Non-Federal physicians	Total		Per 100,000 population	
	Metro	Nonmetro	Metro	Nonmetro
Patient care	230,154	36,403	151.8	64.4
Office-based practice,				
General practice	33,208	15,575	21.9	27.6
Special practice	131,473	17,201	86.7	30.4
Hospital-based practice	65,503	3,627	43.2	6.4
Other professional activity	22,584	1,419	14.9	2.5
Resident population	151,674,000	56,555,000		

Source: Distribution of the Physicians in the U.S., 1972, Regional, State, County, Center for Health Services Research and Development, American Medical Association, Table F.

Northeast U.S. Has Most Practicing Physicians

Of the 293,323 non-federal physicians, the Northeast has a relatively higher proportion (30.5 percent) than the other regions, particularly in the heavily populated States of New York, New Jersey, and Pennsylvania in the Middle Atlantic Division (table 22). This geographic area also contains some of the larger drug companies and medical schools.

Of the 27,580 physicians in Federal service, the largest percentage (40 percent) is found in the South, especially in the South Atlantic States.

[1] The term "non-federal" physician is contrasted with "federal" physicians who are employed in the Federal service, largely engaged in administration and research in Federal agencies and in such research institutions as the National Institutes of Health in the Washington, D.C., area.

TABLE 22.—REGIONAL DISTRIBUTION OF FEDERAL AND NON-FEDERAL PHYSICIANS, 1972

Census region and division	Federal		Non-federal	
	Number	Percent	Number	Percent
Total	27,580	100.0	[1] 293,323	100.0
Northeast	4,260	15.4	89,324	30.5
New England	1,351	4.9	21,696	7.4
Middle Atlantic	2,909	10.5	67,628	23.1
North Central	3,774	13.7	69,087	23.6
East North Central	2,284	8.3	49,739	17.0
West North Central	1,490	5.4	19,348	6.6
South	10,920	39.6	75,064	25.6
South Atlantic	7,003	25.4	40,846	13.9
East South Central	1,135	4.1	12,693	4.3
West South Central	2,782	10.1	21,525	7.3
West	5,978	21.7	57,115	19.5
Mountain	1,495	5.4	11,326	3.9
Pacific	4,483	16.3	45,789	15.6
Possessions [2]	2,648	9.6	2,733	.9

[1] Excludes 20,110 inactive and 12,355 not classified.
[2] Federal physicians serving overseas are included in "possessions" because they are generally at military and diplomatic posts under U.S. sovereignty as well as in the possessions.

Note.—Percentages may not add due to rounding.

Source: "Distribution of Physicians in the U.S., 1972, Vol. 1 Regional, State, County," Center for Health Services Research and Development, American Medical Association, Tables B and D.

86 Percent of Physicians Serve 74 Percent of Population

There is considerable disparity in the metro-nonmetro distribution of physicians in terms of the distribution of resident population. Eighty-six percent of the total number of physicians is located in metro areas to serve 74 percent of the population (table 23). The disproportionate metro share is particularly apparent for specialists, physicians in hospital-based practice, and those in "other professional activity."

Metro and nonmetro areas are evenly matched on the location of hospitals, but the proportion of the hospital beds in metro areas is the same as the share of the population (74 percent).

TABLE 23.—PERCENTAGE DISTRIBUTION OF NON-FEDERAL PHYSICIANS, HOSPITALS, HOSPITAL BEDS, AND POPULATION, 1972

(Percent)

Item	Metro	Nonmetro
Total physicians	86.2	13.0
Office-based practice:		
General practice	67.6	31.5
Medical specialties	89.4	9.8
Surgical specialties	85.6	13.7
Other specialties	89.3	10.0
Hospital-based practice	93.5	5.2
Other professional activity [1]	93.3	5.8
Inactive	81.3	18.4
Not classified	93.2	5.8
Hospitals	49.1	49.8
Hospital beds	74.0	25.1
Resident population (1971)	73.6	26.3

[1] Includes medical teaching, administration, research, and other.

Note.—Percentages may not add due to rounding.

Source: "Distribution of Physicians in the U.S., 1972, Vol. 1, Regional, State, County," Center for Health Services Research and Development, American Medical Association, Table G.

South and North Central States Have Most Hospitals

A larger number and proportion of hospitals are found in the South and North Central States than in the other two regions. The share of hospital beds, however, matches the share of the population in all regions and geographic divisions (table 24).

TABLE 24.—REGIONAL DISTRIBUTION OF HOSPITALS, HOSPITAL BEDS, AND POPULATION, 1971–72

Census region and division	Hospitals (1972)		Hospital beds (1972)		Population (1971)	
	Number	Percent	Number	Percent	Number (thousands)	Percent
Total	5,895	100.0	893,192	100.0	207,486.3	100.0
Northeast	952	16.1	210,774	23.9	49,817.6	24.0
New England	283	4.8	49,476	5.6	12,093.1	5.8
Middle Atlantic	669	11.3	161,298	18.3	37,724.5	18.2
North Central	1,689	28.7	264,954	30.0	57,547.0	27.7
East North Central	904	15.3	175,834	19.9	40,909.2	19.7
West North Central	785	13.3	89,120	10.1	16,637.8	8.0
South	2,065	35.0	263,853	29.9	64,371.8	31.0
South Atlantic	757	12.8	123,237	14.0	31,475.5	15.2
East South Central	472	8.0	55,726	6.3	13,046.8	6.3
West South Central	836	14.2	84,890	9.6	19,849.5	9.6
West	1,126	19.1	135,425	15.3	35,749.9	17.2
Mountain	361	6.1	35,407	4.0	8,655.6	4.2
Pacific	765	13.0	100,018	11.3	27,094.3	13.1

Note.—Percentages may not add due to rounding.

Source: "Distribution of Physicians in the U.S., 1972, Vol. 1 Regional, State, County," Center for Health Services Research and Development, American Medical Association, Table E.

Educational Levels Improving

Measured by years of school completed, there is considerable difference between younger and older age groups in both metro and nonmetro areas. For example, among nonmetro whites 45 years old and over in 1974, only about 45 percent had completed high school, whereas for those 25 to 44 years old, 72 percent had attained this level of schooling. In metro areas, the proportion of the older group completing high school was 56 percent, and in the younger group, 80 percent. This improvement in educational attainment was observed for both nonfarm and farm residence in nonmetropolitan areas (table 25).

Among Negroes, improvement was even more pronounced, when comparing age groups, in both metro and nonmetro areas. In nonmetro areas, only 11 percent of the older Negroes had completed high school, but the figure was 42 percent in the younger (25 to 44) age group. A similar comparison can be made in metro areas, although the disparity is less pronounced—29 percent in the older group and 62.5 percent in the younger Negro population.

In spite of improvement in educational attainment in the Negro population, more than half in nonmetro areas had completed 8 years or less of schooling, and among those in the older age group, this proportion rose to three-fourths.

TABLE 25.—EDUCATIONAL ATTAINMENT OF PERSONS 25 YEARS OLD AND OVER, BY COLOR AND RESIDENCE, MARCH 1974

Age and residence	Percent of population with—			
	8 years of school or less		12 years of school or less	
	White	Negro	White	Negro
Total	21.4	36.6	63.3	40.8
Metropolitan areas	18.4	30.5	66.7	45.9
Nonmetropolitan areas	27.6	55.5	56.2	24.5
Nonfarm	26.7	----	57.0	----
Farm	34.2	----	50.2	----
25 to 44 years old	9.0	15.6	77.8	58.1
Metropolitan areas	7.6	11.8	80.2	62.5
Nonmetropolitan areas	11.9	30.3	72.4	42.1
Nonfarm	11.5	----	72.5	*
Farm	14.6	----	71.9	----
45 years old and over	31.3	56.7	51.8	24.1
Metropolitan areas	27.3	50.1	55.6	28.7
Nonmetropolitan areas	39.1	74.7	44.5	11.2
Nonfarm	38.3	----	45.3	----
Farm	44.3	----	39.1	----

Source: Educational Attainment in the United States: March 1973 and 1974, Population Characteristics, Current Population Reports, Series P-20, No. 274, Bureau of the Census, December 1974, Table 2.

12-Year Median of Schooling Now Nearly Universal

A median of 12-plus years of schooling among young adults is now nearly universal, except for the Negro population in nonmetropolitan areas, where there is a lag of about 1 year (table 26).

Marked improvement by this measure is apparent when comparing the median of those persons 25 to 44 years old with that of the older group, 45 years and over, especially in nonmetro areas. For all races in nonmetro areas, the younger age group has advanced the median about 2 years beyond the older group.

In the Negro population, improvement has been even more striking, in both metro and nonmetro areas. In metro areas, the younger group has improved the median years of school completed by 3 years above the level of the older group. In nonmetro areas, younger Negroes are 4 to 5 years ahead of the older age group.

TABLE 26.—MEDIAN YEARS OF SCHOOL COMPLETED, MARCH 1974

[Years]

Age, residence, and sex	All races	White	Negro
25 to 44 years old	12.6	12.6	12.2
Metropolitan areas:			
Both sexes	12.7	12.7	12.3
Male	12.8	12.9	12.3
Female	12.6	12.6	12.3
Nonmetropolitan areas:			
Both sexes	12.4	12.5	11.1
Male	12.5	12.5	10.9
Female	12.4	12.4	11.3
45 years old and over	11.9	12.1	8.4
Metropolitan areas:			
Both sexes	12.1	12.2	9.0
Male	12.1	12.2	8.6
Female	12.1	12.1	9.6
Nonmetropolitan areas:			
Both sexes	10.5	11.0	6.5
Male	10.0	10.5	5.7
Female	10.9	11.4	7.1

Source: Educational Attainment in the United States: March 1973 and 1974, Population Characteristics, Current Population Reports, Series P-20, No. 274, Bureau of the Census, December 1974, Table 2.

High School Graduates Have Employment Edge

With some exceptions, the largest proportions of employed males in the 25 to 44-year age group are high school graduates in all occupational groups and at all income levels. The exceptions are the total employed in the $15,000 and over income category and white-collar workers at most income levels. In these cases, the higher percentages are among college graduates. For example, 43 percent of the total employed who have incomes of $15,000 or more have 4 years or more of college education, and the range among white-collar workers with that much college education is from one-third to three-fifths for all income levels (table 27).

At the other end of the education ladder, there is considerable difference among occupation groups. About 10 percent of the total employed had 8 years or less of schooling; for farm workers, the figure was 31 percent; for blue-collar workers, 16 percent; for service workers, 13 percent. But for white-collar workers, it was only 2 percent.

The effect of education on income can be seen among the income groups. Among the total employed males in the 25 to 44-year age group, 24 percent of those with 8 years or less of schooling had less than $3,000 income, whereas only 3 percent had that amount of schooling in the $15,000 or more income bracket.

TABLE 27.—YEARS OF SCHOOL COMPLETED BY EMPLOYED MALES 25 TO 44 YEARS OLD, BY INCOME IN 1973 AND BY BROAD OCCUPATION GROUPS: MARCH 1974

Occupation and income	Total	Less than 8 years	8 years	High school		College	
				1 to 3 years	4 years	1 to 3 years	4 years or more
Total employed	100	5.4	4.6	12.8	38.2	16.1	23.0
Under $3,000	100	17.5	6.7	17.4	28.3	14.7	15.4
$3,000 to $5,999	100	12.1	9.0	20.7	29.7	12.2	13.4
$6,000 to $9,999	100	7.0	6.4	16.1	41.6	15.4	13.5
$10,000 to $14,999	100	2.8	3.4	11.9	45.0	17.0	19.8
$15,000 and over	100	1.0	2.0	6.2	30.3	17.4	43.1
White-collar workers	100	1.0	1.1	4.2	26.7	20.5	46.5
Under $3,000	100	5.0	.4	8.7	23.9	24.4	37.5
$3,000 to $5,999	100	3.2	1.9	6.6	26.8	21.6	40.0
$6,000 to $9,999	100	1.5	2.2	5.7	34.3	22.8	33.4
$10,000 to 14,999	100	.6	.8	4.6	30.9	21.7	41.5
$15,000 and over	100	.4	.6	2.5	19.1	17.9	59.6
Blue-collar workers	100	8.4	7.6	21.2	48.3	11.6	2.9
Under $3,000	100	20.4	7.2	24.7	30.1	11.3	6.3
$3,000 to $5,999	100	18.2	11.9	27.9	30.7	7.9	3.3
$6,000 to $9,999	100	9.8	9.0	22.9	45.0	10.9	2.3
$10,000 to $14,999	100	4.7	5.8	19.1	55.8	12.1	2.5
$15,000 and over	100	2.3	5.2	15.9	57.4	15.1	4.2
Service workers	100	8.3	5.0	12.6	46.7	20.4	7.2
Under $3,000	100	16.9	4.1	15.5	39.4	15.3	8.8
$3,000 to $5,999	100	19.7	7.0	19.0	29.8	15.8	8.7
$6,000 to $9,999	100	6.4	7.0	17.0	48.7	16.5	4.3
$10,000 to $14,999	100	3.9	2.7	6.8	57.5	23.3	5.9
$15,000 and over	100	.9	2.7	3.5	43.8	34.3	14.8
Farm workers	100	20.3	10.3	12.4	39.8	9.1	8.2
Under $3,000	100	33.1	19.2	11.9	24.3	6.3	5.2
$3,000 to $5,999	100	25.9	13.8	18.5	31.7	7.0	3.0
$6,000 to $9,999	100	22.0	4.6	9.1	46.5	8.9	9.0
$10,000 to $14,999	100	----	1.6	7.2	59.8	19.3	11.9
$15,000 and over	100	6.1	7.9	12.4	48.5	8.0	17.1

Source: Educational Attainment in the United States: March 1973 and 1974, Population Characteristics, Current Population Reports, Series P-20, No. 274, Bureau of the Census, December 1974, Table 5.

Earnings Rise With Years of Schooling

Median household income increases steadily as the level of educational attainment by the head of the household rises (table 28). For those with fewer than 8 years of schooling, income is only half of the average for all households. With high school completion, income is about $1,000 above the average. With 4 years or more of college education, median income is $6,500 more than the average of all households.

Nonfarm median income is slightly above the average and is about $1,500 more than for farm households.

TABLE 28.—MEDIAN HOUSEHOLD INCOME BY YEARS OF SCHOOL COMPLETED BY HEAD AND BY RESIDENCE, 1973

[Households as of March 1974]

Educational attainment of head	Total households (thousands)	Median income (dollars)
Total	69,859	$10,512
Elementary:		
Less than 8 years	8,678	5,030
8 years	7,676	6,890
High School:		
1 to 3 years	10,972	8,816
4 years	22,849	11,474
College:		
1 to 3 years	9,142	12,449
4 or more	10,542	17,011
RESIDENCE		
Total	69,859	$10,512
[illegible]m	66,970	10,572
[illegible]	2,889	9,032

Source: "Household Money Income in 1973 and Selected Social and Economic Characteristics of Households," Consumer Income, Current Population Reports, Series P-60, No. 96, Issued Agusut 1974, table 4, Bureau of the Census.

Educational Level Also Raises Lifetime Income

Just as median household income rises with the level of educational attainment, so does lifetime income for men. To take the extremes of educational level, the difference in lifetime income between those with less than 8 years of schooling and those with 5 years or more of college education is $544,000. Even completion of high school makes the substantial difference of about $200,000 above the income of those with minimal schooling (table 29, fig. 15).

Table 29.—*Lifetime income of men, by years of school completed: 1972*

Years of school completed:	*Income from age 18 to death*
Elementary:	
Less than 8 years	$279,997
8 years	343,730
High school:	
1 to 3 years	389,208
4 years	478,873
College:	
1 to 3 years	543,435
4 years	710,569
5 years or more	823,759

Source: Digest of Educational Statistics, 1973, U.S. Department of Health, Education, and Welfare, table 22.

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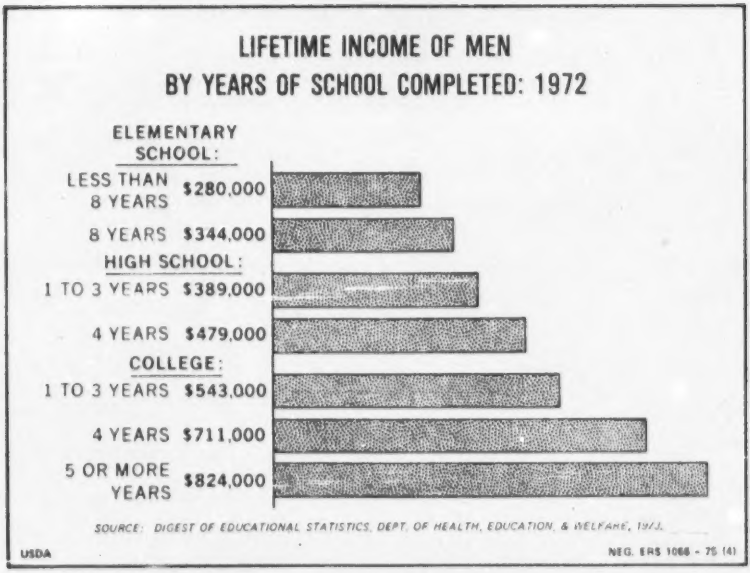
LIFETIME INCOME OF MEN
BY YEARS OF SCHOOL COMPLETED: 1972
ELEMENTARY SCHOOL:
LESS THAN 8 YEARS $280,000
8 YEARS $344,000
HIGH SCHOOL:
1 TO 3 YEARS $389,000
4 YEARS $479,000
COLLEGE:
1 TO 3 YEARS $543,000
4 YEARS $711,000
5 OR MORE YEARS $824,000
SOURCE: DIGEST OF EDUCATIONAL STATISTICS, DEPT. OF HEALTH, EDUCATION, & WELFARE, 1973.
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FIGURE 15

EIGHT PERCENT OF GNP GOES TO SCHOOLS

Since 1929, the percentage of the gross national product (GNP) going to expenditures for public and nonpublic schools at all levels of education has increased from 3 to about 8 percent. It has been at about this level since 1969.

In dollar terms, expenditures for education have risen from $3 billion in 1929 to an estimated $89.5 billion in 1972, while the gross national product has gone up from $103 billion to more than $1 trillion (table 30).

TABLE 30.—TOTAL EXPENDITURES [1] FOR EDUCATION RELATED TO GROSS NATIONAL PRODUCT: UNITED STATES, 1929–30 TO 1972–73

Calendar year	Gross national product (millions)	School year	Expenditures for education	
			Total	As percent of gross national product (percent)
1929	$103,095	1929–30	$3,233,601	3.1
1939	90,494	1939–40	3,199,593	3.5
1949	256,484	1949–50	8,795,635	3.4
1959	483,650	1959–60	24,722,464	5.1
1969	930,284	1969–70	70,077,228	7.5
1971	1,055,450	1971–72	[2] 83,300,000	7.9
1972	1,155,155	1972–73	[2] 89,500,000	7.7

[1] Includes expenditures of public and nonpublic schools at all levels of education (elementary, secondary, and higher education).
[2] Estimated.
Note.—Beginning with 1959–60 school year, incudes Alaska and Hawaii.
Source: Digest of Educational Statistics, 1973 Edition, DHEW Publication No. (OE) 74–11103, U.S. Department of Health, Education, and Welfare, 1974, Table 27, p. 25.

IV. NONMETRO LOCAL GOVERNMENTS FAR OUTNUMBER THOSE IN METRO AREAS

Out of a total of about 78,000 local governments in the United States in 1972, 56,000 were located in nonmetropolitan areas, to serve some 30 percent of the population. There were only 22,000 units for the 70 percent of the people living in metro areas.

To meet the increased demand for services, State and local governments have increased revenues from their own sources by 14 times from 1946 through fiscal year 1973, while Federal revenues increased by only about 3 times.

Education continues to account for the major expenditures of local governments in both metro and nonmetro areas. For the principal services rendered by local governments, metro expenditures are higher than nonmetro in every category except highways.

Local government expenditures in metro areas in 1972 were 50 percent higher per capita than in nonmetro areas. Although nonmetro units spent less on a per capita basis, revenues were nearly the same in metro and nonmetro areas per $1,000 of personal income.

Metropolitan local governments accounted for more than 72 percent of all local public employment in October 1972, and they averaged more employees relative to the population (349 per 10,000 population) than nonmetro local governments (315 per 10,000 population).

The steady increase in total government employment, from about 6 million in 1950 to 14 million in 1973, has been mostly at the State and local levels. Of the total State and local government employment in 1973, three-fourths of the employees were in local governments.

Number of School Districts Down, But Special Districts Up

Nonmetropolitan areas have just over 25 percent of the U.S. population, but they have about 72 percent of the local governments. The number of units of government—counties, municipalities, and townships—has remained about the same between 1967 and 1972 in both metro and nonmetro areas (table 31, fig. 16).

School districts are far more numerous in nonmetro than metro areas, but the number has been reduced in nonmetro areas from 16,764 in 1967 to 11,023 in 1972; in metro areas, from 5,018 in 1967 to 4,758 in 1972. In nonmetro areas, the decrease has resulted from a strong effort to consolidate the smaller rural schools.

Special districts have been created for a number of purposes, including irrigation and drainage, soil conservation, water and sewer systems, fire protection, and many others. They have increased from a total of 21,264 in 1967 to 23,885 in 1972. There are about twice as many of these special districts in nonmetro areas as there are in metro areas.

TABLE 31.—NUMBER OF LOCAL GOVERNMENTS, BY TYPE, 1967 AND 1972

Type of government	Total		Metropolitan		Nonmetropolitan	
	1967	1972	1967	1972	1967	1972
Counties	3,049	3,044	404	444	2,645	2,600
Municipalities	18,048	18,517	4,977	5,467	13,071	13,050
Townships	17,105	16,991	3,255	3,462	13,850	13,529
Subtotal	38,202	38,552	8,636	9,373	29,566	29,179
School districts	21,782	15,781	5,018	4,758	16,764	11,023
Special districts	21,264	23,885	7,049	8,054	14,215	15,831
Total	81,248	78,218	20,703	22,185	60,545	56,033

Source: U.S. Census of Governments, 1967 and 1972.

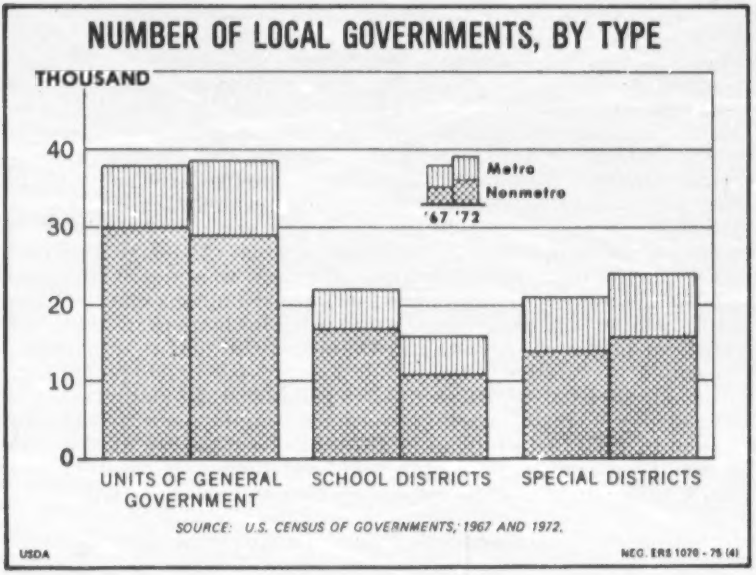

FIGURE 16

STATE AND LOCAL GOVERNMENTS INCREASE OWN REVENUES BY FOURTEEN TIMES

With the steady rise in demand for their services, State and local governments have increased their revenues from own sources by nearly fourteen times since 1946. Federal revenues, on the other hand, have increased by just over three times (table 32).

This difference reflects the very rapid expansion in programs and employment by the non-Federal levels of government. A large portion of this is accounted for by the demands of education. This should tend to level off some as the present enrollment decline works its way through the educational system.

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TABLE 32.—GENERAL REVENUE FROM OWN SOURCES OF FEDERAL, STATE, AND LOCAL GOVERNMENTS, 1946 THROUGH 1972-73

[Millions of dollars]

Year	General revenue from own sources			Taxes			Other revenue		
	Federal	State	Local	Federal	State	Local	Federal	State	Local
1946	43,629	5,419	6,082	36,286	4,937	5,157	7,343	482	925
1950	40,061	8,839	9,586	35,186	7,930	7,984	4,875	909	1,602
1956	73,162	15,093	16,238	65,226	13,375	12,992	7,936	1,718	3,246
1960	87,088	20,618	22,912	77,003	18,036	18,081	10,085	2,583	4,831
1964-65[1]	106,720	30,610	32,362	93,710	26,126	25,116	13,010	4,483	7,245
1968-69	162,845	49,537	45,861	145,996	41,931	34,781	16,848	7,606	11,080
1969-70	163,582	57,507	51,392	146,082	47,962	38,833	17,500	9,545	12,558
1970-71	156,887	61,290	57,491	137,277	51,541	43,434	19,610	9,749	14,058
1971-72	172,122	70,651	64,449	153,733	59,870	48,930	18,389	10,780	15,519
1972-73	187,613	80,432	70,489	165,493	68,069	53,032	22,120	12,363	17,456

[1] Fiscal years from 1964-65.

Source: Governmental Finances (selected years), U.S. Bureau of the Census.

Education Gets Most Local Government Money

The major expenditure by far of local governments in both metro and nonmetro areas is for education. It is slightly higher in metro than nonmetro areas. As in the case of education, metro expenditures per capita for all services are higher than nonmetro except for highways (table 33, fig. 17).

A very large proportion of total U.S. spending for various services is within metro areas. The range is from 64 percent of all U.S. expenditures for highways going to metro areas, to 73 percent of the U.S. total for education, and as high as 90 percent for parks and recreation, spent in metro areas.

TABLE 33.—PER CAPITA[1] EXPENDITURES OF LOCAL GOVERNMENTS FOR SELECTED SERVICES, METRO-NONMETRO 1971-72

Service	United States	Metro	Nonmetro	Metro as percent of U.S. total (percent)
Education	$239.42	$248.64	$217.40	73.2
Highways	30.87	28.12	37.45	64.2
Public welfare	43.64	53.97	18.96	87.2
Hospitals	27.28	28.86	23.49	74.6
Health	7.23	8.76	3.58	85.4
Police protection	25.12	30.67	11.88	86.1
Fire protection	12.69	15.90	5.01	88.4
Sewerage	16.04	19.40	8.00	85.3
Sanitation other than sewerage	7.81	9.64	3.44	87.0
Parks and recreation	11.41	14.59	3.79	90.2

[1] 1970 Census of Population.

Source: U.S. Census of Governments, Vol. 5, "Local Government in Metropolitan Areas," Bureau of the Census, 1972 Table 9.

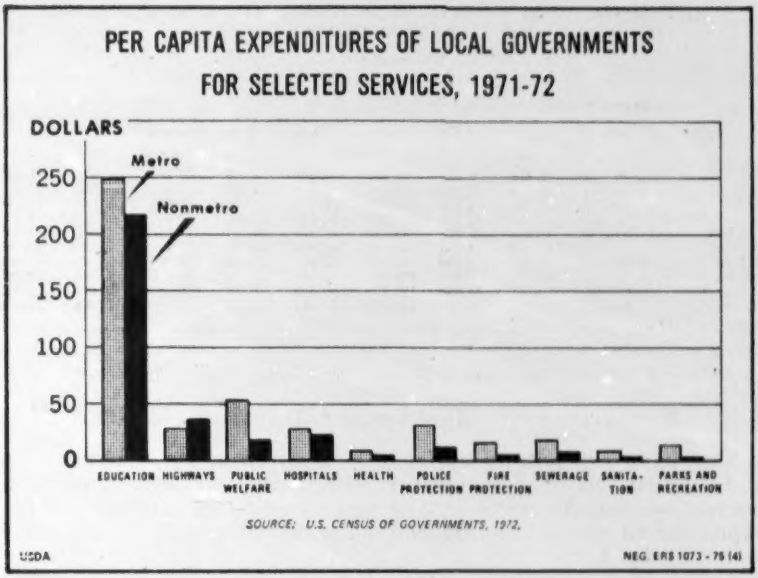

FIGURE 17

METRO, NONMETRO REVENUES FOR LOCAL GOVERNMENT ALMOST THE SAME

Even though nonmetropolitan areas spend less per capita on local government, their revenues in terms of personal income are almost identical with those of metro areas (table 34, fig. 18).

Higher State aid to the nonmetropolitan communities acts as an offset to the effects of their lower incomes in terms of spending on government services. Such aid serves to substantially improve the quality of local government services in nonmetropolitan areas.

Federal payments to local governments remain quite small as a proportion of personal income, and tend to favor metro areas.

TABLE 34.—LOCAL GOVERNMENT REVENUES PER $1,000 PERSONAL INCOME, FISCAL YEARS 1971-72

[In millions of dollars]

Revenue	Metro	Nonmetro
General revenue from own sources	$51,741.4	$13,800.3
State aid	25,766.8	9,376.0
Federal aid	3,897.1	654.1
U.S. personal income, 1972	677,478.2	181,142.3
Revenue per $1,000 personal income, 1972:		
General revenue	76.37	76.18
State aid	38.03	51.76
Federal aid	5.75	3.61

Source: U.S. Census of Governments, 1972.

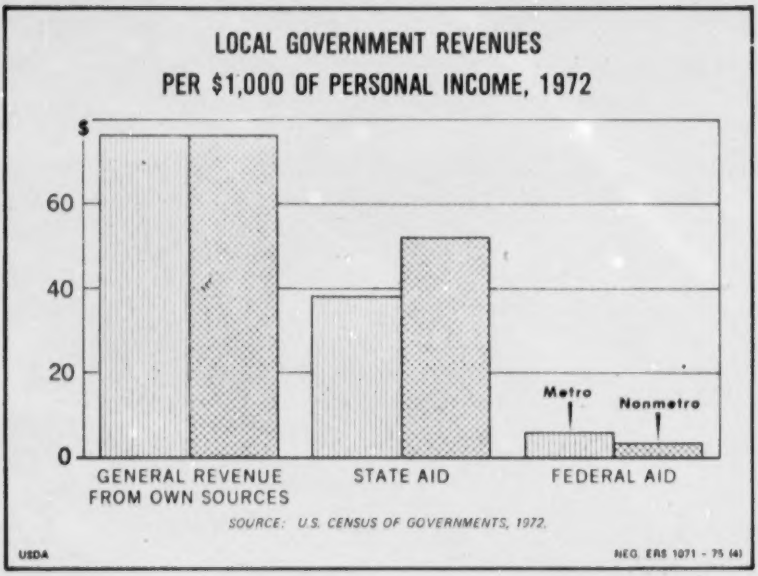

FIGURE 18

EMPLOYMENT GROWTH IN STATE AND LOCAL GOVERNMENTS FAR HIGHER THAN FEDERAL

Total government employment has increased steadily for more than 2 decades, with most of the growth occurring in State and local governments. Since 1950, the number of Federal civilian employees has increased by 669,000, whereas the number in State and local governments grew by about 7 million.

In 1973, nearly three-fourths of the total State and local government was at the local level (table 35).

TABLE 35.—GOVERNMENTAL EMPLOYMENT, 1950-73

[Thousands]

Year	Total	Federal (civilian)[1]	State and local		
			Total	State	Local
1950[2]	6,402	2,117	4,285	1,057	3,228
1960	8,808	2,421	6,387	1,527	4,860
1965	10,589	2,588	8,001	2,028	5,973
1967	11,867	2,993	8,874	2,335	6,539
1969	12,685	2,969	9,716	2,614	7,102
1970	13,028	2,881	10,147	2,755	7,392
1971	13,316	2,872	10,444	2,832	7,612
1972	13,603	2,795	10,808	2,937	7,872
1973	14,139	2,786	11,353	3,013	8,339

[1] Includes Federal civilian employees outside United States.
[2] Excludes Alaska and Hawaii.

Source: U.S. Bureau of the Census, Public Employment, annual.

V. NONMETRO SUBSTANDARD HOUSING SITUATION IMPROVES; CONSTRUCTION ACCELERATES IN 1970's

"A decent home and a suitable living environment for every American family" [1] has been the goal of our society for many years. Efforts to achieve this objective have been directed toward helping the private sector increase the supply of adequate housing. Although basic to fulfilling housing needs, established production goals alone tend to obscure the manner in which the housing stock is distributed among different groups within our society. And even more important is who is occupying the bad housing.

Household income has played a vital role in determining the quality of the home a household occupies. But even more important in recent years has been the type of household occupying the unit. Financial help by itself may not enable a single person to obtain a decent home if there is no vacant housing available, or if there are institutional barriers that prevent him from buying or renting an adequate unit. For example, in 1970, 38 percent of the substandard housing was occupied by single-person households, whereas in 1950, they occupied only 14 percent of the substandard homes. In 1970, the aged occupied 32 percent of the substandard housing, as compared with 17 percent in 1950. Many factors may be contributing to these conditions, but basic to their solution is identifying the groups making the least progress.

During the two decades, 1950–1970, the number of occupied housing units that were substandard declined more rapidly in nonmetro than metro areas. The decline in nonmetro areas was 68 percent during this period, compared with metro decrease of 61 percent. Part of this progress was probably due to more rapid outmigration from nonmetro than from metro areas without a concomitant decrease in housing construction. From 1960 to 1970, new housing construction in nonmetro areas exceeded household formations by 133 percent, whereas in metro areas, the excess was 36 percent.

Housing construction has recently increased its pace. From 1970 to 1974, more homes were built than in a period of 5½ years in the 1960's. The stepped-up rate of housing construction was more rapid in nonmetro than metro areas. Also, rapid outmigration from nonmetro areas is no longer occurring. From 1970 to 1974, new households were being formed at a faster pace in nonmetro than in metro areas. Housing construction in nonmetro areas, however, did not pick up the same tempo. As a result, new housing construction exceeded household formations in nonmetro areas by only 28 percent, as compared with 39 percent in metro areas.

[1] Housing Act of 1949.

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Number of Substandard Housing Units Declines Faster in Nonmetro Areas

The number of substandard housing units in nonmetro areas has been declining more rapidly than in metro areas. Based upon the same geographic boundaries as used in the 1970 Census, the number of substandard units declined 68 percent in nonmetro areas from 1950 to 1970. In metro areas, the number declined 61 percent. In 1970, 55 percent of the substandard units were located in nonmetro areas as compared with 45 percent in metro areas (table 36, fig. 19).

The composition of the household was a major factor in determining how rapidly the number of occupied substandard units declined. From 1950 to 1970, the number of occupied substandard units declined from a total of 15.2 million to 5.3 million units. Familes occupied 13.1 million substandard units in 1950, but only 3.3 million in 1970. During this period, the number of substandard units occupied by single persons declined from 2.2 million to 2.0 million units.

TABLE 36.—OCCUPIED SUBSTANDARD [1] HOUSING UNITS, METRO-NONMETRO [2] 1950-1970

Year	Total		Metro		Nonmetro	
	Millions	Percent	Millions	Percent	Millions	Percent
1950	15.2	100	6.2	41	9.0	59
1960	8.5	100	3.6	42	4.9	58
1970	5.3	100	2.4	45	2.9	55

[1] Includes dilapidated units and units lacking complete plumbing facilities.
[2] Metro-nonmetro areas with constant geographic boundaries, 1950-70.

Source: U.S. Census of Housing.

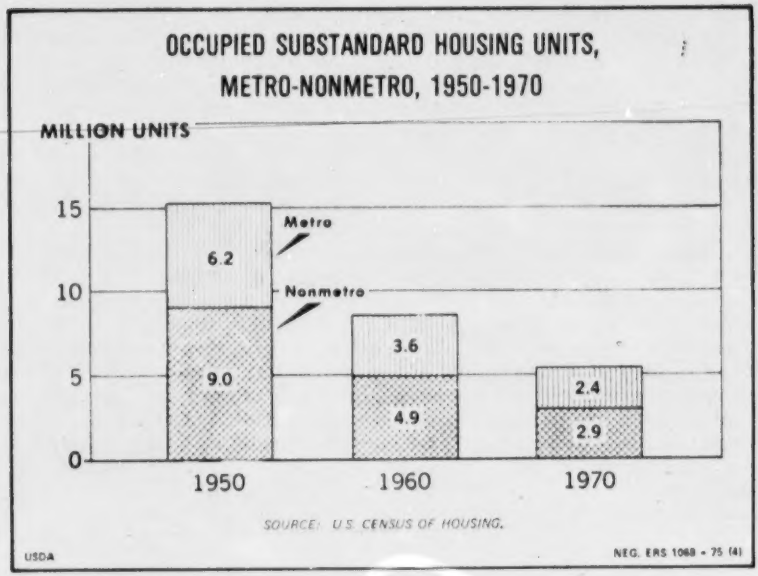

FIGURE 19

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Housing Construction Picks Up Pace in 1970's

More homes were built in the first 4 years of the 1970's than were built in a period of 5½ years in the 1960's. Housing construction was more prevalent in nonmetro areas during the 1970's than during the 1960's—34 percent of total construction was in nonmetro areas in the 1970's compared with 31 percent in the 1960's (table 37).

In a reversal of the trend that has existed for many decades, new households were formed at a more rapid pace in nonmetro than in metro areas from 1970 to 1974—11.7 percent increase in nonmetro areas compared with 9.4 percent increase in metro areas.

During the 1970's, new housing construction in nonmetro areas did not maintain the pace of the 1960's compared with the number of new households formed. Housing construction in nonmetro areas exceeded new household formations by 133 percent during the 1960's, but by only 28 percent during the 1970's. In metro areas, new housing construction exceeded new household formations by 36 percent during the 1960's and by 39 percent during the 1970's. As a result, it appears that the decline in the number of occupied substandard units will not be as great in nonmetro areas during the 1970's as in the past decade.

TABLE 37.—HOUSING INVENTORY IN METRO AND NONMETRO AREAS ON APRIL 1, 1960, 1970, AND 1974

[Thousands of units]

Item	Metro[1]	Nonmetro
All housing units:		
1960	38,372	19,953
1970	46,076	22,384
1974[2]	50,607	25,573
Occupied units:		
1960	35,819	17,477
1970	43,863	19,587
1974[3]	47,973	21,886
Units built:		
1960 to 1970	10,955	4,910
1970 to 1974[4]	5,723	2,951
New households:		
1960 to 1970	8,044	2,110
1970 to 1974[3]	4,110	2,299

[1] Metropolitan area is based on population residing in Standard Metropolitan Statistical Areas (SMSA's) as defined in the 1970 Census and does not include subsequent changes.
[2] Estimated from 1970 Census of Housing, Component of Inventory Change and Bureau of the Census, Current Population Reports, P–20 series.
[3] Estimated from Bureau of the Census Current Population Reports, P–20 series.
[4] Estimated from Bureau of the Census Construction Reports, C–20 and C–22 series.